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South Dakota

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 1989

Bureau of Finance and Management
James A. Hill, Commissioner

South Dakota

GREAT FACES. GREAT PLACES.

Rushmore: Borglum's Unfinished Dream

Two million visitors each year view the Presidents at Mt. Rushmore National Memorial. But surprisingly few are aware that the monument is unfinished, and never will be completed as planned.

Sculptor Gutzon Borglum's plans called for the figures of four Presidents (Washington, Jefferson, Theodore Roosevelt, Lincoln) to be carved, in detail, to the waist. He contemplated tunneling a museum, large enough to house a collection of 20th century inventions and to record the history of the nation. To reach his granite archives, the Hall of Records, Borglum envisioned carving a stairway into the mountain itself. Beginning at the base of the Mount Rushmore outcropping, the stairway would step up 800 ft., ending behind the mountain at the entrance of the Hall of Records.

Alongside the giant figures, Borglum planned an inscription to be chiseled five inches deep into the rock with gilded letters which would be visible from a distance of three miles.

Controversy over the wording of the inscription proved to be the nemesis of the project. In 1927 President Calvin Coolidge had promised to prepare the wording for the inscription. The text would have to be short because of the limited amount of available space (the granite surface was 80 by 120 feet and was to be sculpted resembling the geographic outline of the Louisiana Purchase).

Borglum unceremoniously edited President Coolidge's first two sections of text! Coolidge took offense to the revisions, and declined to proceed with his writing. A successor for Coolidge was never chosen and the only letters actually to be carved on the mountain were "1776." These numerals remained for several years until they finally gave way to the Lincoln figure.

As the dream of an entablature faded, a new and more ambitious vision came into the limelight. A gigantic, artistically designed stairway, 15 feet wide, 800 feet long, would lead to the top and rear of the mountain. At this point, directly behind the faces, the stairway would give way to the "Hall of Records." The plans for the great hall called for a room, 80 by 100 feet, to be drilled into the mountain behind the faces.

The great hall would contain 360 feet of wall space. Recessed into the wall some 30 inches would be illuminated cabinets which would hold records of the accomplishments of the Western World. Included would be dislays of science, art, literature, invention, medicine, and the Constitutional philosophy of government. A bronze, gold-plated bas-relief showing the "adventure of humanity" in the Western World would extend around the entire hall.

The exterior of the archives would be equally impressive, with great cast glass doors, 22½ feet in width, at the entrance, an eagle with a wing span of 38 feet over the portal, and 49-foot-high pylons, bearing two colonial torches from which flames would protrude more than 30 feet. Cut into the stone would be a welcoming inscription, "America's Onward March," and beneath that, "The Great Hall of Records." The Hall would ensure that the works of America's men and women would not be forgotten.

Advisors to the Rushmore project suggested to Borglum that he enlist the aid of the Civilian Conservation Corps to build the stairway, using plans drafted by Borglum in 1936. Borglum discarded the idea, claiming that more skilled workmen were necessary.

By refusing the C.C.C. labor, Borglum doomed another portion of his master plan. As things worked out, it proved to be just as well the stairs were not built. Borglum reported that the hall was "progressing nicely" in August of 1938, but all work on the "glorified cave" soon gave way, as the entablature had, to the main project on the mountain--the carving of the faces themselves.

On March 6, 1941, Gutzon Borglum suffered a fatal heart attack. Rushmore had not been totally completed, but Rushmore historian Gilbert Fite believes that Borglum died with "the exalted feeling that comes with an ambition realized."

Work on the project was carried on by Borglum's son, Lincoln. In the final months, under the directorship of Lincoln, the project was brought to its present stage.

Mt. Rushmore, as Gutzon Borglum envisioned it, remains unfinished. Granite debris lies at the base of the sculpture, and there are no plans for additional carving on the figures. The Hall of Records is an empty tunnel, and the entablature is a forgotten dream. The unfinished dream of Rushmore, much like the nation: it symbolizes ideals which are unfinished business.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1989

GEORGE S. MICKELSON
GOVERNOR

WALTER D. MILLER
LT. GOVERNOR

South Dakota

GREAT FACES. GREAT PLACES.©

PREPARED BY
BUREAU OF FINANCE AND MANAGEMENT
JAMES A. HILL, COMMISSIONER

Additional copies of this document may be obtained from the Bureau of Finance and Management, 500 East Capitol Avenue, Pierre, South Dakota 57501.

South Dakota
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ACKNOWLEDGEMENTS

BUREAU OF FINANCE AND MANAGEMENT
JAMES A. HILL, COMMISSIONER
RODGER C. LEONARD, DEPUTY COMMISSIONER

OFFICE OF ACCOUNTING SYSTEMS
Ted. C. Englund, Chief Accountant
Ronald D. Wire, Senior Accountant
James A. Schaefer, Senior Accountant
Lloyd D. Johnson, Senior Accountant
Willis J. Smith, Data Administrator

LAYOUT AND DESIGN
James A. Hill
Ted C. Englund

ADDITIONAL ASSISTANCE PROVIDED BY
Department of Legislative Audit, Pierre
Tyler J. Stowater, Economist, BFM, Pierre
Business Research Bureau, USD, Vermillion
All State Fiscal Personnel

1889

Office of the Governor
STATE OF SOUTH DAKOTA

George S. Mickelson
GOVERNOR

State Capitol
Pierre, South Dakota 57501
(605) 773-3212

TO: The Honorable Members of the Legislature and
the citizens of South Dakota:

It gives me great pleasure to present to you this Comprehensive Annual Financial Report for the fiscal year ended June 30, 1989.

As this report shows, South Dakota has a sound financial structure and continues to demonstrate a healthy economy with agriculture and tourism being our greatest assets.

Once again South Dakota has delivered on its pledge to live within its means without new taxes.

South Dakota's growing diversified economy and our strong commitment to education will provide our state with employment and leaders well into the future.

Very Truly Yours,

George S. Mickelson
Governor

SOUTH DAKOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

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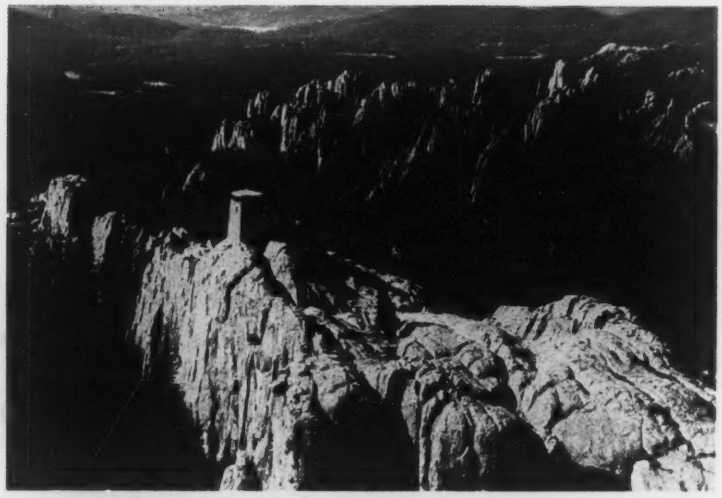
Introductory Section



HARNEY PEAK—Located in the Black Hills of South Dakota is 7,242 feet high and is the highest point between the Colorado Rockies and the Swiss Alps. It has several trails leading to the summit and is a hikers' paradise.

GREAT FACES. GREAT PLACES.

South Dakota

DEPARTMENT OF EXECUTIVE MANAGEMENT
BUREAU OF FINANCE AND MANAGEMENT
500 East Capitol, Pierre, SD 57501
(605) 773-3411

The Honorable George S. Mickelson, Governor
Members of the Legislature

I am pleased to submit to you South Dakota's statewide *Comprehensive Annual Financial Report* for the fiscal year ended June 30, 1989, as required by Section 4-4-6 of South Dakota Codified Law.

Responsibility for the accuracy of the data presented and the completeness and fairness of this document rests with the Bureau of Finance and Management. It is my belief that the information presented is accurate in all material aspects and that it presents fairly the financial position of the state of South Dakota.

REPORT STRUCTURE

The statewide *Comprehensive Annual Financial Report* is presented in three basic sections as recommended by the Governmental Accounting Standards Board: An *Introductory Section* which includes the letter of transmittal, the state organizational chart, list of key state officials, and other miscellaneous data which may be of interest to the reader; a *Financial Section* which includes the auditor's report, audited general purpose financial statements which provide an overview of the state's financial position and accompanying notes to the financial statements; and, a *Statistical Section* which provides the reader with general economic data about South Dakota as well as demographics.

COMPLIANCE

The Bureau of Finance and Management is required by statute to keep its fund structure and prepare its statewide *Comprehensive Annual Financial Report* in accordance with generally accepted accounting principles (GAAP). South Dakota follows GAAP guidelines which are issued by the Governmental Accounting Standards Board (GASB) and will continue to adopt and follow all pronouncements issued by the GASB.

South Dakota's financial statements for governmental funds are maintained on the modified accrual basis of accounting which records revenues when they are measurable and available and expenditures when the liability is incurred for goods and services.

Proprietary funds, nonexpendable trust funds, and the pension trust fund are reported on the full accrual basis of accounting. The state's college and university funds are reported in conformity with GAAP as prescribed by the National Association of College and University Business Officers (NACUBO).

REPORTING ENTITY

Various statements issued by the Governmental Accounting Standards Board define the governmental reporting entity. It is under these definitions that we include more than typical state agencies in this report. Also included are colleges, universities, South Dakota Building Authority, South Dakota Housing Authority, and the South Dakota Health and Education Facilities Authority.

Even though the state (as legally defined) is not directly responsible for the obligations of these authorities, they are defined to be part of the state's financial responsibility for reporting purposes.

AUDIT

The state's statewide *Comprehensive Annual Financial Report* is audited each year by the Office of the Auditor General, which is an office of the Legislative Branch of government. The Auditor General conducts his audit according to generally-accepted auditing standards (GAAS) and his opinion is expressed on the general purpose financial statements and the notes to the financial statements and does not include the introductory section or the statistical section.

In addition to the annual audit of the general purpose financial statements, the Office of the Auditor General performs periodic audits of the various state agencies. Private accounting firms are employed to audit the separately issued component unit financial statements, such as the major financing authorities.

South Dakota internal control procedures are also evaluated on an annual basis by the Auditor General and, in my opinion, have been found to provide reasonable assurance for the safeguarding of our assets and in providing reasonable assurance of proper recording of financial transactions which are used in the preparation of the statewide financial report.

ECONOMIC OUTLOOK

South Dakota's economy continued a steady expansion during fiscal year 1989. This expansion occurred during a year in which forest fires in the Black Hills and a drought impacted South Dakota's two largest industries--agriculture and tourism. However, even though South Dakota's two largest industries were negatively impacted, South Dakota's economy continued to expand because of economic diversification.

During 1988, South Dakota's unemployment rate was 3.8%, substantially less than the national unemployment rate of 5.4%. At the same time South Dakota was maintaining a low unemployment rate, its nonfarm employment increased to 259.7 thousand, an increase of 26,800 over the last five years. This growth occurred largely in the manufacturing, retail trade, finance, insurance and real estate, and service industries.

Total personal income for South Dakota suffered during 1988 due mainly to the decline in farm personal income caused by the drought. South Dakota's total personal income increased 3.3% during 1988. This 3.3% increase was derived from a 24.1% decrease in farm income and a 6.6% increase in nonfarm income. The average annual increase in total personal income during the past five years has been 6.11%, indicating a healthy expansion in personal income for South Dakota.

One of the major factors contributing to South Dakota's healthy economy is the REDI fund, which was created in 1987 for the purpose of providing loans at a low rate of interest to new and expanding businesses. It is estimated that by the time the original $40 million is loaned, the REDI fund will have assisted in creating 8,600 direct jobs and another 5,900 indirect jobs in South Dakota.

Another factor indicating the health of South Dakota's economy is gross sales, excluding agricultural crops and livestock. For 1988, South Dakota's gross sales increased 14.4% over 1987. A large portion of this increase was derived from increases in manufacturing, wholesale trade, retail trade, and service industries.

A major portion of the economic activity occurring in South Dakota is in the counties of Minnehaha, Pennington, and their surrounding counties. This is evidenced by the increase in population in these counties. These counties have become attractive to out-of-state businesses because of the work force, infrastructure, community assistance, and tax structure.

ACKNOWLEDGEMENT

The preparation of this *Comprehensive Annual Financial Report* could not have been accomplished without the efforts and cooperation of the Auditor General's Office and the various financial officers of state government.

Sincerely,

James A. Hill, Commissioner
Bureau of Finance and Management

South Dakota
GREAT FACES. GREAT PLACES.

BUREAU OF FINANCE AND MANAGEMENT

The Bureau of Finance and Management is a staff agency in the South Dakota Department of Executive Management, which is headed by the Governor. Other agencies in the Department of Executive Management include the Governor's Office, Lt. Governor's Office, Office of Indian Affairs, Office of Economic Development, Bureau of Administration, and the Bureau of Personnel.

The General purpose of the Bureau of Finance and Management as described in South Dakota Codified Law is to "...promote economy and efficiency in the fiscal management of the state government". The functions performed by bureau staff fall into three categories -- budget analysis, management analysis, and accounting systems.

BUDGET ANALYSIS

South Dakota state government has an executive budget process whereby all agencies of state government submit their annual budget requests to the Bureau of Finance and Management. The bureau assists the Governor in developing the *Governor's Budget Book* which contains the Governor's recommendations to the Legislature for funding all state government programs for the next fiscal year.

MANAGEMENT ANALYSIS

System installation, system testing, and system user education is a never-ending series of challenges for the Bureau of Finance and Management. New products, system enhancements, new release versions of current software packages and system troubleshooting have to be done in a timely and orderly fashion by management analysis for the sake of all departments who use the various computer products managed by the Bureau of Finance and Management.

ACCOUNTING SYSTEMS

The Bureau of Finance and Management is responsible for developing, maintaining, and administering the state's central computerized accounting and payroll/personnel systems; reconciling the statewide bank account with the State Treasurer, on a monthly basis; preparing the statewide cost allocation plan (federal circular A-87); developing statewide accounting policy for all state government agencies, excluding higher education, and preparing the state's comprehensive annual financial report.

South Dakota
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PRINCIPAL STATE OFFICIALS

EXECUTIVE BRANCH

THE HONORABLE GEORGE S. MICKELSON, GOVERNOR
THE HONORABLE WALTER D. MILLER, LIEUTENANT GOVERNOR

CONSTITUTIONAL OFFICERS

The Honorable Roger Tellinghuisen, Attorney General
The Honorable Joyce Hazeltine, Secretary of State
The Honorable David L. Volk, Treasurer
The Honorable Vernon L. Larson, Auditor
The Honorable Tim Amdahl, Commissioner, School and Public Lands

PUBLIC UTILITIES COMMISSION

The Honorable Laska Schoenfelder, Commissioner
The Honorable Kenneth Stofferahn, Commissioner
The Honorable James A. Burg, Commissioner

LEGISLATIVE BRANCH

The Honorable Royal J. "Bud" Wood
Speaker of the House

The Honorable Mary A. McClure
President Pro Tempore of the Senate

The Honorable George H. Shanard
Senate Majority Leader

The Honorable Roger D. McKellips
Senate Minority Leader

The Honorable Jerome B. Lammers
House Majority Leader

The Honorable Robert N. Duxbury
House Minority Leader

JUDICIAL BRANCH

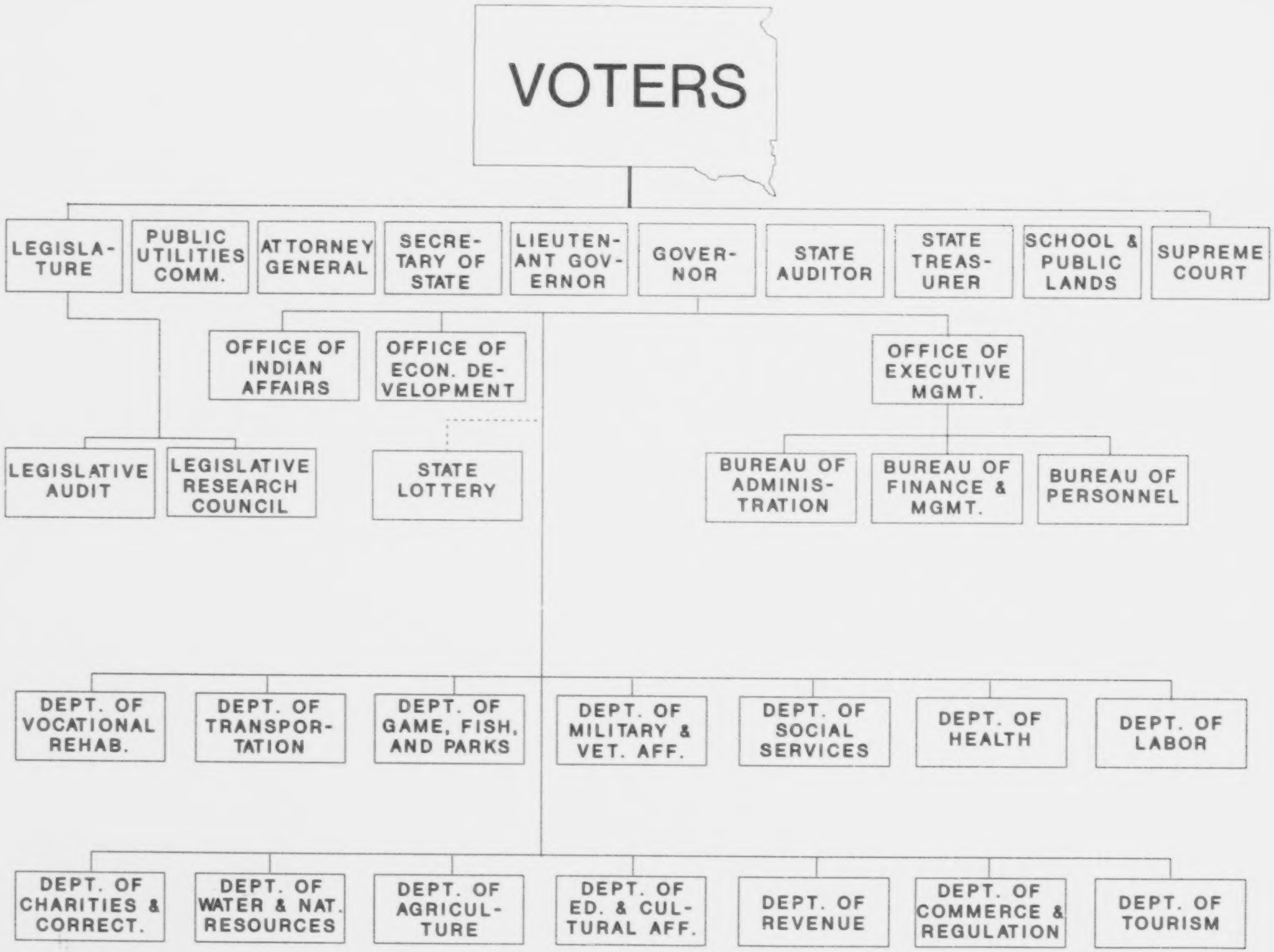
The Honorable George W. Wuest
Chief Justice

The Honorable Robert E. Morgan
Associate Justice

The Honorable Frank E. Henderson
Associate Justice

The Honorable Richard W. Sabers
Associate Justice

The Honorable Robert A. Miller
Associate Justice


VOTERS
LEGISLATURE
PUBLIC UTILITIES COMM.
ATTORNEY GENERAL
SECRETARY OF STATE
LIEUTENANT GOVERNOR
GOVERNOR
STATE AUDITOR
STATE TREASURER
SCHOOL & PUBLIC LANDS
SUPREME COURT
OFFICE OF INDIAN AFFAIRS
OFFICE OF ECON. DEVELOPMENT
OFFICE OF EXECUTIVE MGMT.
LEGISLATIVE AUDIT
LEGISLATIVE RESEARCH COUNCIL
STATE LOTTERY
BUREAU OF ADMINISTRATION
BUREAU OF FINANCE & MGMT.
BUREAU OF PERSONNEL
DEPT. OF VOCATIONAL REHAB.
DEPT. OF TRANSPORTATION
DEPT. OF GAME, FISH, AND PARKS
DEPT. OF MILITARY & VET. AFF.
DEPT. OF SOCIAL SERVICES
DEPT. OF HEALTH
DEPT. OF LABOR
DEPT. OF CHARITIES & CORRECT.
DEPT. OF WATER & NAT. RESOURCES
DEPT. OF AGRICULTURE
DEPT. OF ED. & CULTURAL AFF.
DEPT. OF REVENUE
DEPT. OF COMMERCE & REGULATION
DEPT. OF TOURISM

South Dakota

Great Faces. Great Places.

SOUTH DAKOTA FUNCTION OF GOVERNMENT
FY 1989

GENERAL GOVERNMENT
Executive Management
Revenue
State Lottery
Unified Judicial System
Legislature
Attorney General
School and Public Lands
Secretary of State
State Treasurer
State Auditor

HUMAN RESOURCES
Social Services
Health
Labor
Vocational Rehabilitation
Charities and Corrections

NATURAL RESOURCES
Agriculture
Game, Fish, and Parks
Water and Natural Resources

PROTECTION OF PUBLIC AND PRIVATE DOMAIN
Commerce
Military and Veterans' Affairs

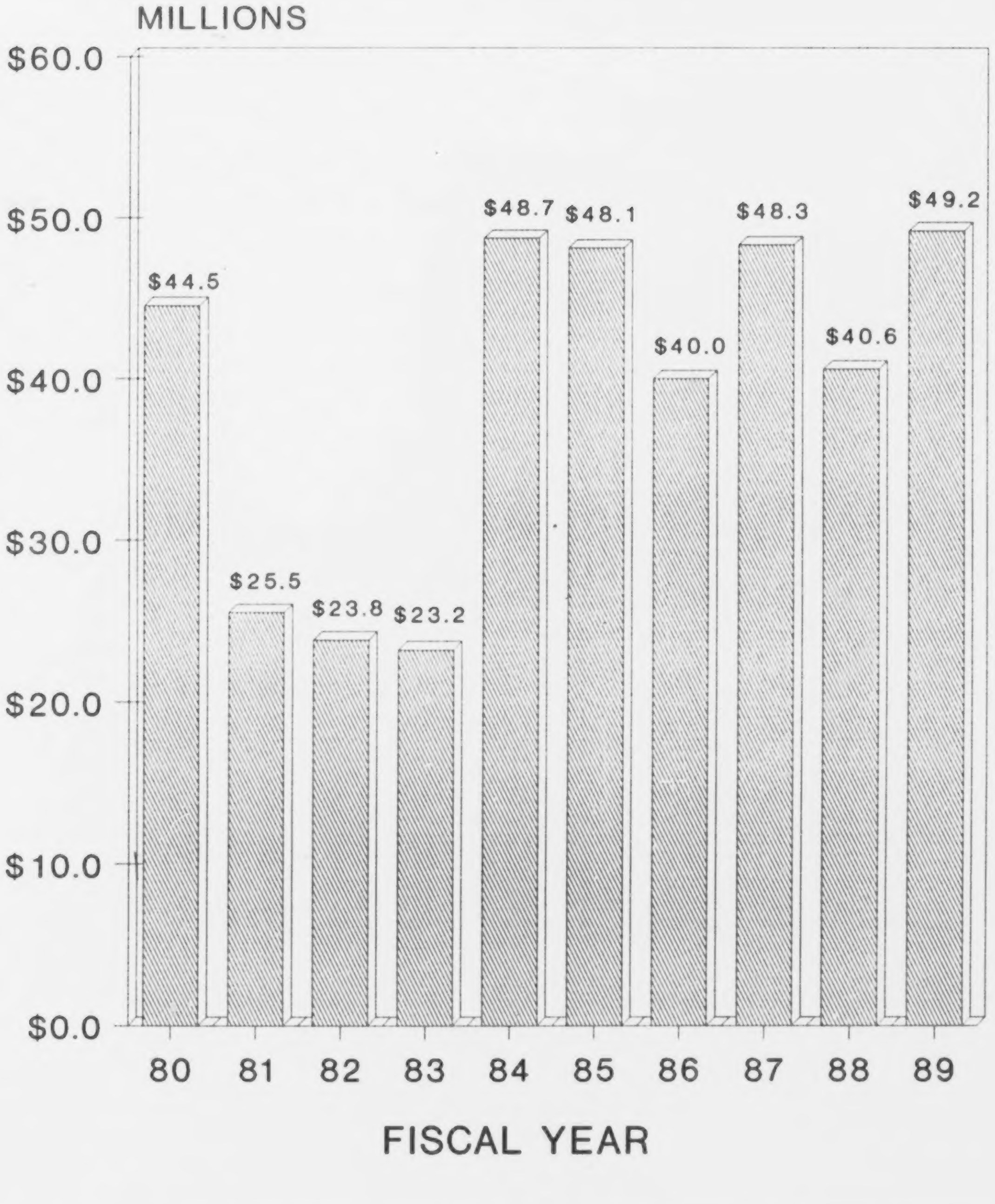
TRANSPORTATION
Transportation

EDUCATION AND RESEARCH
Education
Higher Education

ECONOMIC RESOURCES
Economic Development
Enterprise Initiation
Community Development
Minority Business
Tourism

STATE OF SOUTH DAKOTA.
UNDER GOD THE PEOPLE RULE
GREAT SEAL
1889

STATE OF SOUTH DAKOTA
GENERAL FUND ENDING CASH BALANCE
10 YEAR HISTORY



GENERAL FUNDS

(CASH BASIS)
(EXPRESSED IN THOUSANDS)

REVENUE BY FUNCTION:	FY1988	%	FY1989	%
General Government	$ 296,578	84.6	$ 314,728	85.4
Human Resources	5,159	1.6	4,810	1.3
Natural Resources	863	.2	853	.3
Protection of Public	29,017	8.3	29,641	8.0
Education	18,514	5.3	18,177	4.9
TOTAL	$ 350,131	100.0	$ 368,209	99.9

EXPENDITURES BY FUNCTION:	FY1988	%	FY1989	%
General Government	$ 72,471	19.7	$ 78,202	20.2
Human Resources	89,489	24.4	95,242	24.7
Natural Resources	12,620	3.4	12,381	3.2
Protection of Public	6,228	1.7	6,407	1.7
Transportation	505	.1	451	.1
Education	182,192	49.6	188,276	48.9
Economic Resources	3,935	1.1	4,169	1.1
TOTAL	$ 367,440	100.0	$ 385,128	99.9

ALL FUNDS

(CASH BASIS)
(EXPRESSED IN THOUSANDS)

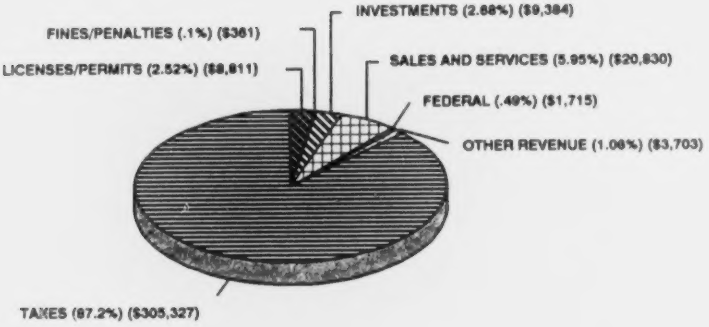
REVENUE BY SOURCE:	FY1988	%	FY1989	%
Taxes	$ 398,812	30.9	$ 402,423	32.7
Licenses, Permits, Fees	58,130	4.5	71,613	5.8
Fines, Forfeits, Penalties	1,887	.1	1,978	.2
Investment Income	231,170	17.9	147,130	11.9
Sales and Services	130,098	10.1	114,346	9.3
Retirement Trust	57,767	4.5	60,628	4.9
Federal	333,035	25.8	392,673	31.8
Other	81,739	6.3	42,841	3.5
TOTAL	$1,292,638	100.1	$1,233,632	100.1

EXPENDITURES BY FUNCTION:	FY1988	%	FY1989	%
General Government	$ 134,115	12.2	$ 136,394	11.8
Human Resources	367,443	33.4	389,921	33.6
Natural Resources	38,101	3.5	44,064	3.7
Protection of Public	30,456	2.7	25,736	2.2
Transportation	176,017	16.0	200,164	17.2
Education	341,499	31.1	355,665	30.6
Economic Resources	10,935	1.0	12,075	1.0
TOTAL	$1,098,566	99.9	$1,164,019	100.0

EXPENDITURES BY OBJECT:	FY1988	%	FY1989	%
Salaries and Benefits	$ 276,609	25.2	$ 290,477	25.0
Travel	12,075	1.1	12,524	1.1
Contractual	249,300	22.7	284,773	24.5
Supplies	74,340	6.8	66,771	5.7
Grants	369,989	33.7	386,648	33.2
Capital Outlay	39,090	3.6	48,063	4.1
Other	77,163	7.0	74,763	6.4
TOTAL	$1,098,566	100.1	$1,164,019	100.0

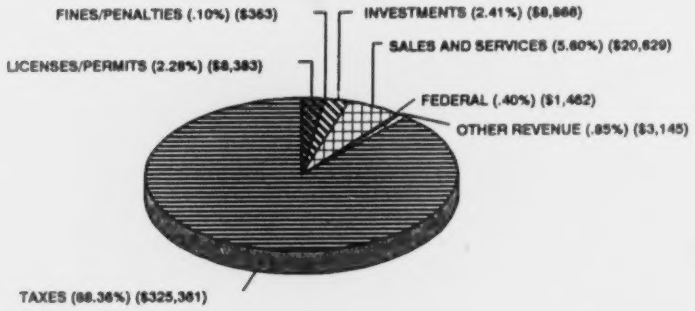
REVENUE BY SOURCE
(CASH BASIS IN THOUSANDS)

GENERAL FUND
FY-88



TOTAL: $350,131

GENERAL FUND
FY-89



TOTAL: $368,209

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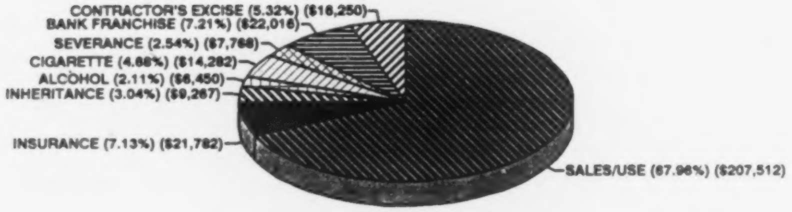
GENERAL FUND TAX REVENUES BY SOURCE

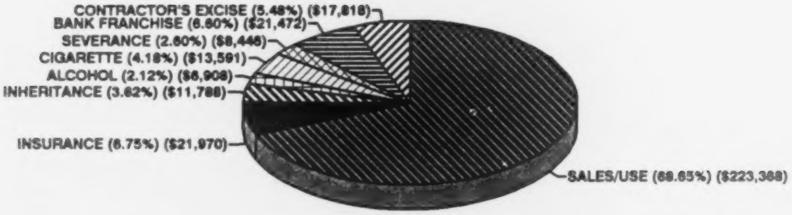
(CASH BASIS IN THOUSANDS)

FY-88



TOTAL: $305,327

FY-89



TOTAL: $325,361

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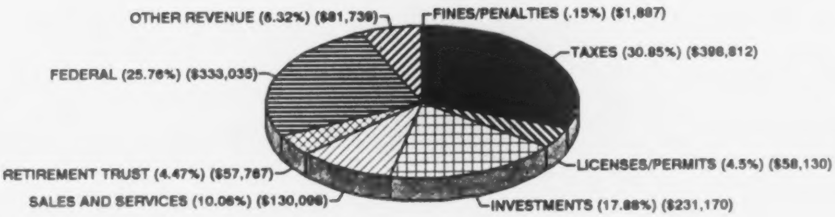
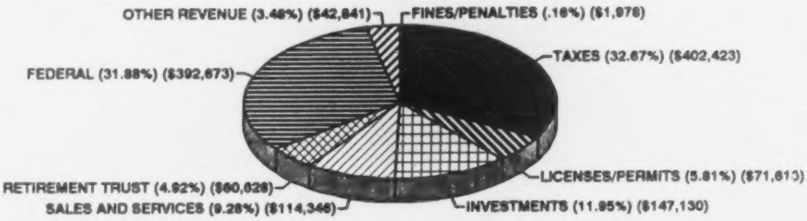
REVENUE BY SOURCE
(CASH BASIS IN THOUSANDS)

ALL FUNDS
FY-88



TOTAL: $1,292,638

ALL FUNDS
FY-89



TOTAL: $1,233,632

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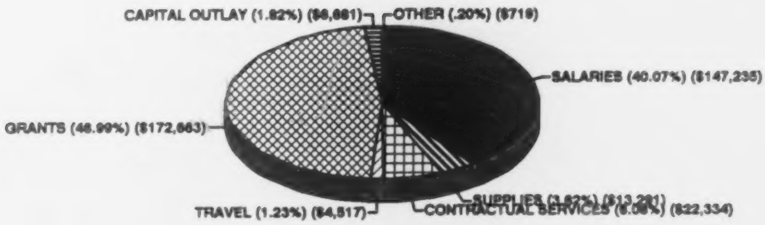
EXPENDITURES BY OBJECT

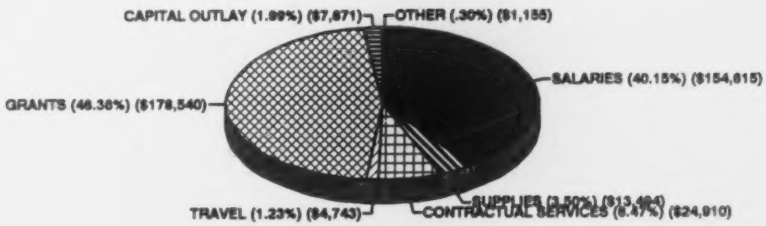
(CASH BASIS IN THOUSANDS)

GENERAL FUND
FY-88



TOTAL: $367,440

GENERAL FUND
FY-89

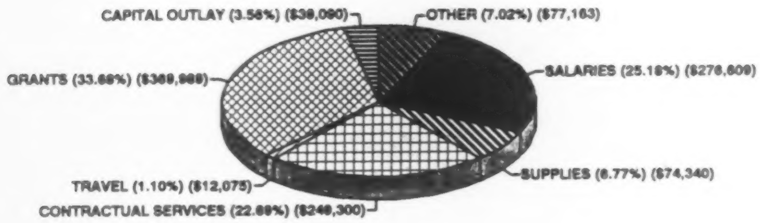


TOTAL: $385,128

EXPENDITURES BY OBJECT

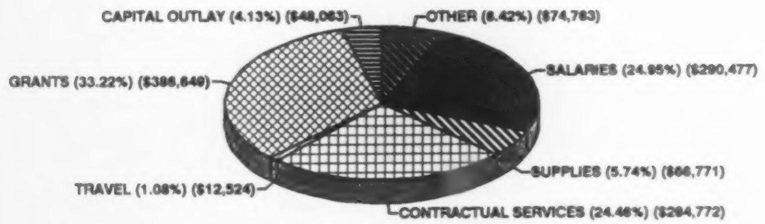
(CASH BASIS IN THOUSANDS)

ALL FUNDS
FY-88



TOTAL: $1,098,566

ALL FUNDS
FY-89



TOTAL: $1,164,019

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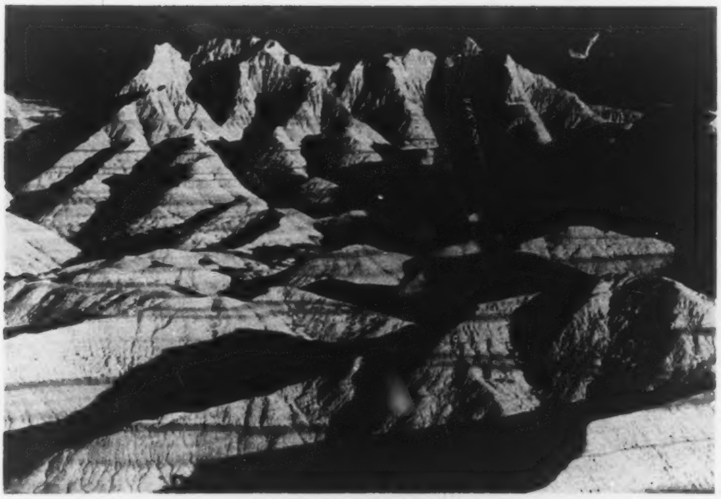
Financial Section



SOUTH DAKOTA BADLANDS—Spires, pinnacles, buttes and gorges form 244,000 acres of haunting topography. Created by 35 million years of wind and water erosion, the sedimentary layers reveal ribbons of colored sandstone embedded with the fossilized remains of prehistoric creatures.

STATE OF SOUTH DAKOTA
DEPARTMENT OF LEGISLATIVE AUDIT

Maurice C. Christiansen, CPA
AUDITOR GENERAL

435 SOUTH CHAPELLE
PIERRE, S.D. 57501-3292
(605) 773-3595

Independent Auditor's Report

The Honorable George S. Mickelson
Governor of South Dakota

and

Members of the Legislature
of the State of South Dakota

We have audited the accompanying general purpose financial statements of the State of South Dakota as of and for the fiscal year ended June 30, 1989, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the state's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in paragraphs 3, 4, and 5, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Department of Transportation accounting records for stockpile inventories did not accurately calculate moving average cost. Adjustments were made to units in stockpile inventories without adjusting the corresponding unit cost. New stockpiles are recorded in the accounting records based on an unsupported density factor. Due to the nature of the accounting records, we were unable to satisfy ourselves as to the amount reported for stockpile inventories by means of other auditing procedures. Stockpile inventories represent 67 percent of total inventories in the special revenue fund type.

Records maintained by several of the individual state agencies were not adequate to document a substantial portion of the original cost, additions and improvements to buildings recorded in the general fixed asset account group. As a result, we were unable to satisfy ourselves as to the amount reported for buildings, which represents 43 percent of the value reported for general fixed assets.

The budget adopted by the South Dakota Legislature is segregated into three budget groups; general fund, federal funds and other funds. Expenditures were not consistently recorded in the appropriate budget group. Due to the nature of the records, we were unable to satisfy ourselves as to the amounts reported in each of the budget groups in the Combined Statement of Expenditures - Budget and Actual (Budgetary Basis), All Budgeted Fund Types.

The Combined Statement of Expenditures - Budget and Actual (Budgetary Basis), All Budgeted Fund Types does not include $53,324,023.00 of general fund budget, $1,483,370.00 of federal budget, $5,395,522.07 of other budget, and the related actual expenditures for special appropriations.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to verify the accuracy of the amounts reported for items discussed in paragraphs 3, 4, and 5, and except for the effects of not reporting the items discussed in paragraph 6, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of South Dakota as of June 30, 1989 and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the State of South Dakota. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Maurice C. Christiansen

Maurice C. Christiansen, CPA
Auditor General

March 23, 1990

South Dakota
GREAT FACES. GREAT PLACES.

GENERAL PURPOSE
FINANCIAL STATEMENTS

STATE OF SOUTH DAKOTA.
UNDER GOD THE PEOPLE RULE
GREAT SEAL.
1889

STATE OF SOUTH DAKOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1989
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
ASSETS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
Cash and Temporary Investments	$ 44,131	$137,281	$ 3,707	$ 7,817	$ 696,215	$ 6,477
Investments			163,114		62,851	
Accounts Receivable	357	703	5		286,355	103
Sales Tax Receivable (Net)						
Other Taxes Receivable	7,419	44				
Interest, Dividends & Penalties Receivable		336	5,453	18	14,257	
Loans and Notes Receivable (Net)		22,104		6	834,915	
Due From Other Funds	72,836	23,469	21	876	2,129	3,496
Due From Other Governments	530	43,224			2	
Inventory	1,553	11,966			14,065	553
Prepaids	334	553			433	172
Deferred Charges					24,949	
Other Assets	3,436	200			39	
Property, Plant and Equipment (Net)					41,350	6,499
Amount to be Provided						
Amount Available in Debt Service						
Total Assets	$130,596	$239,880	$172,300	$ 8,717	$1,977,560	$ 17,300
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts Payable	$ 6,411	$ 25,164	$	$ 1,475	$ 3,312	$ 627
Accrued Liabilities	5,636	7,505			26,795	1,149
Due to Other Funds	1,436	9,435			4,923	457
Due to Other Governments		4,456			15	
Deferred Revenue	43	482			365	824
Escrow Payable					18,775	
Bonds and Notes Payable		60			1,648,149	
Certificates of Participation Payable						
Capital Lease Obligations	34	44			446	2,470
Other Liabilities						
Total Liabilities	13,560	47,146	0	1,475	1,702,780	5,527
Fund Equity:						
Contributions					3,204	3,486
Investment in Fixed Assets						
Retained Earnings:						
Reserve For Encumbrances					6	32
Reserve For Debt Service					201,737	
Reserve - Other					10,003	
Unreserved					59,830	8,255
Fund Balance:						
Reserve for Encumbrances	2,343	9,244				
Reserve for Debt Service			172,300			
Reserve for Public Schools						
Net Assets Available--Retirement Benefits						
Reserve for Loans		19,979		4		
Reserve - Other		1,282				
Unreserved	114,693	162,229		7,238		
Total Fund Equity	117,036	192,734	172,300	7,242	274,780	11,773
Total Liabilities and Fund Equity	$130,596	$239,880	$172,300	$ 8,717	$1,977,560	$ 17,300

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUND TYPE	ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY)	
TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	HIGHER EDUCATION	JUNE 30, 1989	JUNE 30, 1988
$ 238,959	$	$	$ 45,799	$1,180,386	$ 917,820
1,338,060				1,564,025	1,399,594
10,066			4,067	301,656	229,832
60,086				60,086	54,532
3,234				10,697	10,447
18,571			1,653	40,288	36,900
6,658			19,700	883,383	816,628
4,074			1,698	108,599	104,069
2,404			241	46,401	30,611
			4,902	33,039	30,144
31			500	2,023	2,343
21				24,970	20,936
2				3,677	3,276
8,276	237,056		273,269	566,450	542,757
		36,630		36,630	46,962
		172,300		172,300	167,683
$1,690,442	$237,056	$208,930	$351,829	$5,034,610	$4,414,534
$ 4,424	$	$	$ 1,961	$ 43,374	$ 55,246
8,229		21,885	14,063	85,262	74,608
89,470			2,878	108,599	104,069
39,201			5	43,677	41,670
			1,170	2,884	2,852
3,101				21,876	16,475
		11,243	52,749	1,712,201	1,391,751
		175,460		175,460	181,720
		192	463	3,649	4,048
889		150	808	1,847	2,612
145,314	0	208,930	74,097	2,198,829	1,875,051
				6,690	6,607
	237,056		231,668	468,724	445,509
				38	7
				201,737	53,214
				10,003	377
				68,085	180,467
1			3,205	14,793	13,740
474				172,774	171,190
113,401				113,401	111,554
1,379,585				1,379,585	1,196,026
			17,040	37,023	29,114
45,374				46,656	582
6,293			25,819	316,272	331,096
1,545,128	237,056	0	277,732	2,835,781	2,539,483
$1,690,442	$237,056	$208,930	$351,829	$5,034,610	$4,414,534

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	JUNE 30, 1989	JUNE 30, 1988
Revenue:							
Taxes	$330,620	$ 77,152	$	$	$ 9,599	$ 417,371	$427,807
Licenses, Permits, and Fees	8,365	62,855			492	71,712	63,327
Fines, Forfeits, and Penalties	363	1,760			17	2,140	1,804
Use of Money and Property	11,465	12,716	1,194	993	4,448	30,816	42,279
Sales and Services	20,008	7,475			1,011	28,494	28,993
Administering Programs	1,541	412,008		819	171	414,539	368,485
Other Revenue	22,110	5,601	4	5	7,333	35,053	12,964
Total Revenue	394,472	579,567	1,198	1,817	23,071	1,000,125	945,659
Expenditures:							
Education and Research	99,870	50,425			1	150,296	143,492
Economic Resources	4,753	31,638				36,391	32,574
General Government	79,369	6,623	19,392	2,837	1,082	109,303	114,339
Human Resources	96,648	203,808	90		14,315	314,861	297,482
Natural Resources	12,385	32,103			483	44,971	42,199
Protection of Domain	6,488	19,928			268	26,684	24,344
Transportation	398	199,979				200,377	174,426
Total Expenditures	299,911	544,504	19,482	2,837	16,149	882,883	828,856
Excess of Revenue Over/ (Under) Expenditures	94,561	35,063	(18,284)	(1,020)	6,922	117,242	116,803
Other Financing Sources (Uses):							
Bond Proceeds							1,112
Operating Transfers In	18,653	26,404	19,725		693	65,475	121,970
Operating Transfers Out	(109,426)	(22,936)		(4,516)	(4,882)	(141,760)	(183,761)
Total Other Financing Sources (Uses)	(90,773)	3,468	19,725	(4,516)	(4,189)	(76,285)	(60,679)
Excess of Revenue and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	3,788	38,531	1,441	(5,536)	2,733	40,957	56,124
Fund Balance at Beginning of Year-Restated	113,248	154,203	170,859	12,778	49,159	500,247	444,123
Fund Balance at End of Year	$117,036	$192,734	$172,300	$ 7,242	$ 51,892	$ 541,204	$500,247

The notes to the financial statements are an integral part of this statement.

South Dakota
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STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
ALL BUDGETED FUND TYPES
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	GENERAL		
DEPARTMENT	Budgeted	Actual	Variance
EXECUTIVE MANAGEMENT			
Personal Services	$ 4,344	$ 4,093	$ 251
Operating Expenses	6,368	5,469	899
TOTAL	10,712	9,562	1,150
REVENUE			
Personal Services	2,208	2,208	
Operating Expenses	947	940	7
TOTAL	3,155	3,148	7
AGRICULTURE			
Personal Services	2,320	2,219	101
Operating Expenses	1,161	1,156	5
TOTAL	3,481	3,375	106
TOURISM			
Personal Services	629	626	3
Operating Expenses	1,923	1,922	1
TOTAL	2,552	2,548	4
GAME, FISH, AND PARKS			
Personal Services	1,493	1,492	1
Operating Expenses	6,559	1,169	5,390
TOTAL	8,052	2,661	5,391
SOCIAL SERVICES			
Personal Services	6,815	6,809	6
Operating Expenses	46,260	45,684	576
TOTAL	53,075	52,493	582
HEALTH			
Personal Services	2,136	2,115	21
Operating Expenses	1,999	1,897	102
TOTAL	4,135	4,012	123
LABOR			
Personal Services	231	224	7
Operating Expenses	56	52	4
TOTAL	287	276	11
TRANSPORTATION			
Personal Services	115	178	(63)
Operating Expenses	390	327	63
TOTAL	505	505	0

FEDERAL			OTHER		
Budgeted	Actual	Variance	Budgeted	Actual	Variance
$ 633	$ 242	$ 391	$ 5,884	$ 4,973	$ 911
9,678	5,164	4,514	24,617	18,765	5,852
10,311	5,406	4,905	30,501	23,738	6,763
			1,260	1,254	6
			2,735	1,792	943
0	0	0	3,995	3,046	949
795	725	70	1,224	683	541
536	510	26	8,596	3,088	5,508
1,331	1,235	96	9,820	3,771	6,049
			294	292	2
0	0	0	294	292	2
104	88	16	1,510	1,498	12
1,098	662	436	1,980	1,778	202
1,202	750	452	3,490	3,276	214
13,508	12,790	718	139	9	130
146,807	142,616	4,191	1,790	1,321	469
160,315	155,406	4,909	1,929	1,330	599
3,337	3,131	206	2,257	2,193	64
9,720	9,457	263	3,409	3,129	280
13,057	12,588	469	5,666	5,322	344
9,413	8,689	724	830	782	48
12,872	9,552	3,320	2,415	2,106	309
22,285	18,241	4,044	3,245	2,888	357
7,709	7,709		24,625	23,115	1,510
101,948	101,948		66,919	64,708	2,211
109,657	109,657	0	91,544	87,823	3,721

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
ALL BUDGETED FUND TYPES (Continued)
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

DEPARTMENT	GENERAL		
	Budgeted	Actual	Variance
EDUCATION AND CULTURAL AFFAIRS			
Personal Services	4,421	4,385	36
Operating Expenses	92,395	92,259	136
TOTAL	96,816	96,644	172
COMMERCE AND REGULATION			
Personal Services	2,800	2,651	149
Operating Expenses	1,148	1,103	45
TOTAL	3,948	3,754	194
HIGHER EDUCATION			
Personal Services	79,660	78,781	879
Operating Expenses	11,363	12,160	(797)
TOTAL	91,023	90,941	82
MILITARY AND VETERANS' AFFAIRS			
Personal Services	1,153	1,115	38
Operating Expenses	1,082	1,082	
TOTAL	2,235	2,197	38
VOCATIONAL REHABILITATION			
Personal Services	575	575	
Operating Expenses	680	679	1
TOTAL	1,255	1,254	1
CHARITIES AND CORRECTIONS			
Personal Services	26,290	26,229	61
Operating Expenses	28,732	27,194	1,538
TOTAL	55,022	53,423	1,599
WATER AND NATURAL RESOURCES			
Personal Services	3,247	3,108	139
Operating Expenses	1,591	1,584	7
TOTAL	4,838	4,692	146
UNIFIED JUDICIAL SYSTEM			
Personal Services	10,960	10,959	1
Operating Expenses	3,006	3,004	2
TOTAL	13,966	13,963	3
LEGISLATIVE			
Personal Services	2,706	2,568	138
Operating Expenses	1,756	1,684	72
TOTAL	4,462	4,252	210

FEDERAL			OTHER		
Budgeted	Actual	Variance	Budgeted	Actual	Variance
1,769	1,463	306	1,009	779	230
49,468	45,411	4,057	2,326	2,168	158
51,237	46,874	4,363	3,335	2,947	388
307	236	71	8,039	7,353	586
2,873	2,082	791	4,846	4,451	395
3,180	2,318	862	12,885	11,804	1,081
11,505	9,825	1,680	19,880	18,657	1,223
24,236	23,253	983	48,793	45,306	3,487
35,741	33,078	2,663	68,673	63,963	4,710
971	885	86			
1,673	1,503	170			
2,644	2,388	256	0	0	0
2,784	2,740	44	12	12	
4,882	4,518	364	247	135	112
7,666	7,258	408	259	147	112
12,782	12,678	104	607	498	109
3,630	3,479	151	2,400	1,371	1,029
16,412	16,157	255	3,007	1,869	1,138
1,700	1,410	290	2	1	1
4,396	1,785	2,611	19	18	1
6,096	3,195	2,901	21	19	2
			9	9	
			163	154	9
0	0	0	172	163	9
			48	27	21
0	0	0	48	27	21

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
ALL BUDGETED FUND TYPES (Continued)
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

DEPARTMENT	GENERAL Budgeted	GENERAL Actual	GENERAL Variance
ATTORNEY GENERAL			
Personal Services	2,944	2,869	75
Operating Expenses	999	996	3
TOTAL	3,943	3,865	78
SCHOOL AND PUBLIC LANDS			
Personal Services	230	230	
Operating Expenses	121	120	1
TOTAL	351	350	1
SECRETARY OF STATE			
Personal Services	368	362	6
Operating Expenses	209	209	
TOTAL	577	571	6
STATE TREASURER			
Personal Services	163	163	
Operating Expenses	168	168	
TOTAL	331	331	0
STATE AUDITOR			
Personal Services	455	455	
Operating Expenses	117	117	
TOTAL	572	572	0
STATE OF SOUTH DAKOTA			
Personal Services	156,263	154,414	1,849
Operating Expenses	209,030	200,975	8,055
TOTAL	$365,293	$355,389	$ 9,904

The notes to the financial statements are an integral part of this statement.

FEDERAL			OTHER		
Budgeted	Actual	Variance	Budgeted	Actual	Variance
327	249	78	596	539	57
1,048	624	424	1,431	1,320	111
1,375	873	502	2,027	1,859	168
0	0	0	0	0	0
0	0	0	0	0	0
			548	490	58
			558	291	267
0	0	0	1,106	781	325
0	0	0	0	0	0
67,644	62,860	4,784	68,431	62,845	5,586
374,865	352,564	22,301	173,586	152,220	21,366
$442,509	$415,424	$ 27,085	$242,017	$215,065	$ 26,952

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES - ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		(MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	PENSION TRUST	JUNE 30, 1989	JUNE 30, 1988
Operating Revenue:						
Licenses, Permits, and Fees	$ 6,935	$	$	$	$ 6,935	$ 2,265
Use of Money and Property	139,018	12	1,064	169,107	309,201	211,709
Sales and Services	67,157	24,469			91,626	81,387
Retirement Trust Revenue				60,579	60,579	57,721
Administering Programs	10				10	40
Other Revenue	180	6			186	152
Total Operating Revenue	213,300	24,487	1,064	229,686	468,537	353,274
Operating Expenses:						
Personal Services and Benefits	11,002	6,009		744	17,755	16,578
Travel	407	161		48	616	638
Contractual Services	161,798	8,688		2,259	172,745	46,488
Supplies and Materials	7,277	5,205		130	12,612	24,693
Grants	132				132	136
Capital Outlay	227	4		14	245	331
Other	1,176	81	40		1,297	630
Interest	123,783				123,783	103,840
Bad Debts	112	12			124	30
Depreciation/Amortization	7,244	3,863			11,107	8,275
Retirement Benefits				36,279	36,279	32,402
Terminated Employee Retirement Withdrawals				7,114	7,114	6,294
Total Operating Expenses	313,158	24,023	40	46,588	383,809	240,335
Operating Income/(Loss)	(99,858)	464	1,024	183,098	84,728	112,939
Nonoperating Revenue/(Expenses):						
Gain/(Loss) on Disposal of Assets	(24)	(21)	1,398		1,353	(127)
Bond Proceeds	155,444				155,444	29,850
Interest Income	2,283				2,283	1,891
Interest Expense	(56)	(243)			(299)	(377)
Total Nonoperating Revenue (Expenses)	157,647	(264)	1,398	0	158,781	31,237
Income Before Operating Transfers	57,789	200	2,422	183,098	243,509	144,176
Operating Transfers:						
Operating Transfers In	1,025	1,091		461	2,577	7,883
Operating Transfers Out	(14,296)	(11)	(589)		(14,896)	(28,384)
Total Operating Transfers	(13,271)	1,080	(589)	461	(12,319)	(20,501)
Net Income Before Extraordinary Items	44,518	1,280	1,833	183,559	231,190	123,675
Extraordinary Items:						
Partial Litigation Settlement						(724)
Loss on Extinguishment of Deferred Financing						(825)
Total Extraordinary Items	0	0	0	0	0	(1,549)
Net Income	44,518	1,280	1,833	183,559	231,190	122,126
Retained Earnings/Fund Balance at Beginning of Year - Restated	227,058	7,007	111,818	1,196,026	1,541,909	1,419,783
Retained Earnings/Fund Balance at End of Year	$271,576	$ 8,287	$113,651	$1,379,585	$1,773,099	$1,541,909

The notes to the financial statements are an integral part of this statement.

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1989	JUNE 30, 1988
Cash Provided by Operations:					
Net Income (Loss) Before Extraordinary Items	$ 44,518	$ 1,280	$ 1,833	$ 47,631	$ 24,681
Charges to Income Not Affecting Working Capital:					
Depreciation/Amortization	7,244	3,863		11,107	8,275
Loss on Disposal of Assets	24	29		53	127
Capitalized Interest on Capital Accumulator Bonds	6,179			6,179	5,565
Bad Debts	112	12		124	30
Gain on Exchange of Land			(144)	(144)	0
Acquisition of Donated Assets		(231)		(231)	(307)
Reduction of Bad Debt Allowance					(72)
Total Working Capital Provided by Operations	58,077	4,953	1,689	64,719	38,299
Changes in Certain Working Capital Components:					
Assets: (Increase)/Decrease					
Accounts Receivable	(77,930)	(59)	6	(77,983)	(30,815)
Loans and Notes Receivable	(62)		270	208	1,019
Inventories	(1,464)	(150)		(1,614)	(311)
Due from Others	(174)	(495)	14	(655)	3,956
Prepaids	(38)	17		(21)	(465)
Deferred Charges					1
Other Assets	13			13	14
Investments	2,269			2,269	84,713
Interest, Dividends, & Penalties Receivable	1,053		(362)	691	(4,877)
Liabilities: Increase/(Decrease)					
Accounts Payable	(352)	242		(110)	1,457
Due to Others	(2,945)	(55)	(1,808)	(4,808)	6,897
Accrued Liabilities	1,559	136		1,695	2,113
Other Liabilities	196			196	13
Capital Lease Obligations	(264)	(1,612)		(1,876)	(1,182)
Bonds and Notes Payable	1			1	6
Deferred Revenue	(180)	304		126	402
Net Cash Provided by Operations	(20,241)	3,281	(191)	(17,151)	101,240
Additional Sources of Cash:					
Increase in Multifamily Escrows and Reserves	2,712			2,712	2,043
Sale of Bonds (Net)	446,374			446,374	107,186
Mortgage Loan Principal Repayments	58,592			58,592	58,154
Note Proceeds (Net)	33,156			33,156	8,125
Sale of Assets		69	157	226	82
Contribution from State General Fund	72			72	91
Total Additional Sources of Cash	540,906	69	157	541,132	175,681
Cash Used for Acquisitions:					
Purchases of Fixed Assets	2,377	1,569		3,946	5,957
Purchase of Mortgage Loans and Loan Advances	106,815			106,815	123,952
Increase in Other Assets					1
Total Cash Used for Acquisitions	109,192	1,569	0	110,761	129,910
Other Uses of Cash:					
Retirement of Long-Term Debt	156,953			156,953	14,225
Repayment of Bonds Payable	16,240			16,240	97,415
Partial Settlement of Litigation					1,549
Transfer of Expenses and Liabilities					82
Increase in Amortization Costs	2,242			2,242	836
Total Other Uses of Cash	175,435	0	0	175,435	114,107
Net Increase/(Decrease) in Cash	236,038	1,781	(34)	237,785	32,904
Cash and Short-Term Investments at Beginning of Year - Restated	460,177	4,696	106,052	570,925	538,021
Cash and Short-Term Investments at End of Year	$696,215	$ 6,477	$106,018	$808,710	$570,925

The notes to the financial statements are an integral part of this statement.

STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINED STATEMENT OF CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	CURRENT FUNDS			
	UNRESTRICTED APPROPRIATED	UNRESTRICTED NON-APPROPRIATED	RESTRICTED APPROPRIATED	RESTRICTED NON-APPROPRIATED
Revenues and Other Additions:				
Tuition and Fees	$ 4,324	$ 16,360	$	$
School and Public Lands	1,522			
Federal Appropriations			4,989	
Federal Grants and Contracts		21		25,563
State Grants and Contracts		1,163		2,574
Private Gifts, Grants, and Contracts		56		3,744
Auxiliary Enterprise Revenue		20,379		
Retirement of Indebtedness				
Indirect Cost Recovery		1,359		
Investment Income	151	5		2
Expended for Plant				
Sales and Services		10,128		3
Other Sources	23			
Total Revenue and Other Additions	6,020	49,471	4,989	31,886
Expenditures and Other Deductions:				
Education and General	94,984	26,700	5,130	30,396
Auxiliary Enterprise		17,901		93
Expended for Plant Facilities				
Retirement of Indebtedness				
Interest on Indebtedness				
Indirect Costs Recovered				1,359
Disposal of Plant				
Loan Cancellations and Write-Offs				
Administrative and Collection Costs				
Other				
Total Expenditures and Other Deductions	94,984	44,601	5,130	31,848
Transfers Among Funds - Additions (Deductions):				
Nonmandatory:				
Net Interfund Transfers	(892)	(67)	(2)	97
Operating Transfers from General Fund	88,585	89	2	
Operating Transfers from Other State Agencies	37			
Mandatory:				
Principal and Interest	(3,079)	(1,270)	(1)	
Renewals and Replacements		(1,129)		
Loan Fund Matching		(94)		
Total Transfers In (Out)	84,651	(2,471)	(1)	97
Net Increase (Decrease) for Year	(4,313)	2,399	(142)	135
Fund Balance at Beginning of Year - Restated	(5,548)	15,439	192	1,579
FUND BALANCE AT END OF YEAR	($ 9,861)	$ 17,838	$ 50	$ 1,714

The notes to the financial statements are an integral part of this statement.

	PLANT FUNDS				TOTALS (MEMORANDUM ONLY)	
LOAN FUNDS	UNEXPENDED PLANT FUNDS	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	JUNE 30, 1989	JUNE 30, 1988
$	$	$	$	$	$ 20,684	$ 18,074
					1,522	2,024
					4,989	5,370
853		26			26,463	24,401
					3,737	3,379
				645	4,445	3,464
					20,379	18,710
				1,325	1,325	953
					1,359	735
522	1,873	320	99		2,972	2,189
				17,708	17,708	19,393
					10,131	11,054
19	2,568	55	70	536	3,271	279
1,394	4,441	401	169	20,214	118,985	110,025
					157,210	142,576
					17,994	17,020
	7,480	1,510			8,990	6,304
			1,325		1,325	1,051
	615		3,271		3,886	3,709
					1,359	1,153
				5,041	5,041	3,035
344					344	341
143					143	323
	12		2	2,947	2,961	368
487	8,107	1,510	4,598	7,988	199,253	175,880
	4,441	793	177		4,547	1,348
		87			88,763	83,747
					37	193
			4,350			
		1,129				
94						
94	4,441	2,009	4,527	0	93,347	85,288
1,001	775	900	98	12,226	13,079	19,433
19,963	8,456	3,506	1,624	219,442	264,653	245,220
$ 20,964	$ 9,231	$ 4,406	$ 1,722	$231,668	$277,732	$264,653

STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	UNRESTRICTED APPROPRIATED	UNRESTRICTED NON-APPROPRIATED	RESTRICTED APPROPRIATED	RESTRICTED NON-APPROPRIATED	TOTALS (MEMORANDUM ONLY) JUNE 30, 1989	TOTALS (MEMORANDUM ONLY) JUNE 30, 1988
Revenues:						
Tuition and Fees	$ 4,324	$ 16,360	$	$	$ 20,684	$ 18,074
School and Public Lands	1,522				1,522	2,024
Federal Appropriations			5,131		5,131	5,265
Federal Grants and Contracts		21		24,315	24,336	22,384
State Grants and Contracts		1,163		2,710	3,873	2,722
Private Gifts, Grants, and Contracts		56		3,394	3,450	2,989
Auxiliary Enterprise		20,379			20,379	18,710
Investment Income	151				151	194
Sales and Services		11,492			11,492	11,365
Other	23			70	93	421
Total Revenue	6,020	49,471	5,131	30,489	91,111	84,148
Expenditures and Mandatory Transfers:						
Educational and General:						
Instruction	50,810	8,178	60	2,370	61,418	55,419
Research	5,507	2,965	2,002	5,305	15,779	15,571
Public Service	4,570	2,230	3,068	4,576	14,444	13,045
Academic Support	11,890	3,570		546	16,006	14,472
Student Services	4,151	5,229		477	9,857	8,979
Institutional Support	8,980	3,700		203	12,883	10,133
Operation and Maintenance of Plant	8,989	498		40	9,527	9,007
Scholarships and Fellowships	87	330		16,879	17,296	15,949
Education and General Expenditures	94,984	26,700	5,130	30,396	157,210	142,575
Auxiliary Enterprises:						
Expenditures		17,901		93	17,994	17,020
Mandatory Transfers:						
For Principal and Interest	3,079	1,270	1		4,350	4,549
For Renewals and Replacements		1,129			1,129	1,379
For Loan Fund Matching		94			94	69
Total Mandatory Transfers	3,079	2,493	1	0	5,573	5,997
Total Expenditures and Mandatory Transfers	98,063	47,094	5,131	30,489	180,777	165,592
Other Transfers and Additions (Deductions):						
Operating Transfers From General Fund	88,585	89	2		88,676	83,591
Operating Transfers From Other Agencies	37				37	193
Net Transfers In (Out)	(892)	(67)	(2)	97	(864)	(2,056)
Excess of Restricted Receipts Over (Under) Transfers to Revenue			(142)	38	(104)	977
Other						95
Total Other Transfers and Additions (Deductions)	87,730	22	(142)	135	87,745	82,800
Net Increase/(Decrease) in Fund Balance	($ 4,313)	$ 2,399	($ 142)	$ 135	($ 1,921)	$ 1,356

The notes to the financial statements are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 1989

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). University funds reported under the Higher Education discrete presentation have been prepared in conformity with generally accepted accounting principles for colleges and universities as prescribed by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants. The prescribed treatment for tuition and fees which are remitted to the state general fund as an offset to the state appropriation, is to deduct the total amount from general fund appropriations and report it as tuition and fees revenue. For purposes of incorporating these funds into the state's financial statements, tuition and fees remitted to the state general fund are not reported as revenue in the higher education fund. General fund appropriations are reported as operating transfers from the general fund.

B. Reporting Entity:

For financial reporting purposes, the state of South Dakota includes all fund types and account groups administered by state departments, bureaus, boards, commissions, universities, and authorities, over which the state exercises or has the ability to exercise oversight authority.

GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 identifies the basic criterion for including a governmental organization in a governmental unit's reporting entity for general purpose financial reports as the ability to exercise oversight responsibility over such agencies by the governmental unit's elected officials. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to: (1) financial interdependency; (2) selection of governing authority; (3) designation of management; (4) ability to significantly influence operations; and, (5) accountability for fiscal matters. Component units included in this report consist of the Building Authority, Housing Development Authority, and the Health and Educational Facilities Authority. Oversight responsibility implies that a governmental unit is dependent on another and the dependent unit should be reported as part of the other.

C. Fund Accounting:

Financial activities of the state are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Financial resources are segregated by fund for the purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Account groups are presented for general fixed assets and general long-term debt.

The state has established the following fund categories, fund types, and account groups.

Governmental Funds:

General Fund - The General Fund is the primary operating fund of the state. It is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds - Account for specific revenue sources that are legally restricted to expenditures for specific purposes. Special revenue funds account for federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

Debt Service Funds - Account for resources accumulated for the retirement of general long-term debt principal and interest.

Capital Projects Funds - Account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary, fiduciary, or higher education funds).

Proprietary Funds:

Enterprise Funds - Account for activities that are financed and operated in a manner similar to private business enterprises where: (a) the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or, (b) the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate.

Internal Service Funds - Account for the financing of goods or services provided by one department or agency to other departments or agencies of the state, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds:

Trust and Agency Funds - Account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include expendable trust, nonexpendable trust, pension trust, and agency funds. Nonexpendable trust and pension trust funds are accounted for in the same manner as proprietary funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature and do not involve the measurement of the results of operations.

Account Groups:

General Fixed Asset Account Group - Accounts for all fixed assets acquired or constructed by governmental and expendable trust funds.

General Long-Term Debt Account Group - Accounts for long-term obligations of governmental funds and expendable trust funds not paid with current resources. Long-term obligations include bonds, accrued annual and sick leave, and capital leases.

Higher Education:

The discrete presentation of higher education reflects transactions related to resources received and used for the operation of the state's colleges and universities. The higher education column is an aggregation of the following funds:

Current Funds - *Unrestricted*: Account for economic resources which are expendable for the purpose of performing the primary objectives of the colleges and universities for which no stipulation has been made by donors or other external agencies as to the purpose for which they should be expended.

Current Funds - *Restricted*: Account for resources received from donors or other external agencies that are restricted by them for specific operating purposes.

Loan Funds - Account for resources available for loans to students.

Plant Funds - Account for (1) resources to be used in the acquisition of physical properties, but unexpended at the date of reporting; (2) resources set aside for renewals and replacements; (3) resources set aside for debt service charges and for retirement of indebtedness; and (4) resources expended for and thus invested in college and university property.

Agency Funds - Account for resources held by a college or university acting in the capacity of an agent for distribution to designated beneficiaries.

D. **Totals - Memorandum Only:**

The "Totals (Memorandum Only)" columns represent an aggregation of the combined financial statement amounts of the fund types and account groups and are presented only for analytical purposes. These amounts do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles and are not comparable to a consolidation. The fiscal year 1988 "Totals (Memorandum Only)" column is included to provide a summarized comparison with fiscal year 1989 summarized amounts and are not intended to present financial position, results of operations and changes in financial position in conformity with generally accepted accounting principles.

E. **Basis of Accounting:**

The accounting and financial reporting treatment applied tc a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds, nonexpendable trust funds, and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Governmental, expendable trust and agency funds are reported on the modified accrual basis of accounting. Revenues of governmental and expendable trust funds are recognized when they become measurable and available as net current assets. Significant revenue sources which are susceptible to accrual include sales tax, motor fuel taxes, bank card taxes, grant revenues, investment income, and charges for goods and services. Fines, penalties, licenses, and other miscellaneous revenues are recognized when received since they are normally measurable only at that time.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick leave, and other employee amounts are accrued only to the extent that the expenditure would be made from expendable available financial resources with long-term portions reported in the general long-term debt account group; and, (2) principal and interest on general long-term obligations are recognized when due.

Proprietary, pension trust, nonexpendable trust, and the higher education funds are reported on the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

F. **Budgetary Accounting:**

Agencies and departments submit budget requests to the Bureau of Finance and Management. The commissioner approves the bureau's budget recommendation and is presented to the Governor for his consideration. The Governor's decisions are presented to the Legislature in the Governor's Budget Book.

The financial plan for each fiscal year is adopted by the Legislature by the passage of a general appropriations act, special appropriations acts, and deferred maintenance appropriations. The formal budget approved by the Legislature does not include budgeting for revenues and other financing sources/uses.

Interim appropriations are requested by state agencies through the Bureau of Finance and Management. The Joint Committee on Appropriations reviews the requests and makes the final determination. During fiscal year 1989, interim appropriations of $5,231,853 were approved.

Monies appropriated on a program basis by the general appropriations act may be transferred between program accounts within or between departments and bureaus at the written request of the state agency and approval by the commissioner of the Bureau of Finance and Management.

The general appropriations act includes only appropriations for ordinary current and capital expenses of the executive, legislative, and judicial branches of the state. By law, appropriations are classified into general, federal, and other fund classifications. The budget is controlled at the program level for personal services and operating expenses. Detailed appropriation information at this level is presented in the Available Funds Report which is available at the Bureau of Finance and Management. Encumbrances and certain monies available to departments and component units are not included in the general appropriations act and are not budgeted.

The state's annual budget is prepared on the cash basis utilizing encumbrance accounting. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded, is utilized in order to reserve that portion of the applicable appropriation in the governmental, proprietary, higher education, and fiduciary fund types. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Encumbrances at June 30, 1989 totalled $14,831,454.

Budget authority and appropriations in an amount equal to outstanding encumbrances may be carried forward for two fiscal years after the expiration of the appropriation acts with the approval of the commissioner of the Bureau of Finance and Management.

G. Budgetary - GAAP Reporting Reconciliation:

The accompanying Combined Statement of Expenditures - Budget and Actual (Budgetary Basis), All Budgeted Fund Types, presents comparisons of the general appropriations act and deferred maintenance appropriations with actual data on the budgetary basis. Because accounting principles applied for the purpose of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective, and entity differences in the expenditures for the year ended June 30, 1989 is presented below (expressed in thousands):

	GENERAL FUND	FEDERAL FUND	OTHER FUND	SPECIAL REVENUE
Expenditures, Budget Basis	$355,389	$415,424	$215,065	$
Adjustments:				
To Adjust Encumbrances	(2,302)	(895)	(7,646)	
To Adjust Budgeted Operating Transfers		(236)	(28)	
To Adjust Expenditures for Accruals	(15,877)			(12,624)
Reclassification and Other Adjustments:				
To Eliminate Colleges and Universities	(88,764)	(32,979)	(63,718)	
To Reclassify Expenditures into Financial Statement Fund Types		(381,314)	(143,673)	497,033
To Record Expenditures for Nonbudgeted Fund Types	51,465			60,095
Expenditures (GAAP Basis)	$299,911	$ 0	$ 0	$544,504

	EXPENDABLE TRUST	INTERNAL SERVICE	ENTERPRISE	PENSION TRUST
Expenditures, Budget Basis				
Adjustments:				
To Adjust Encumbrances				
To Adjust Expenditures for Accruals	$ 120	$ 2,455	($ 90)	$ 954
Reclassification and Other Adjustments:				
To Eliminate Colleges and Universities				
To Reclassify Expenditures into Financial Statement Fund Types	2,396	21,240	3,012	1,306
To Record Expenditures for Nonbudgeted Fund Types	13,633	600	310,316	44,328
Expenditures (GAAP Basis)	$ 16,149	$ 24,295	$313,238	$ 46,588

H. **Cash and Temporary Investments:**

For reporting purposes, this account includes cash on hand, cash in local banks, cash in the State Treasury, and short-term investments. Cash balances of most state funds are pooled and invested by the State Investment Officer. Investment income is allocated to participating funds at year end.

I. **Investments:**

This account represents investments in corporate stocks, bonds, convertible debt, U.S. government bonds, and real estate. Investments are reported at cost, except for pension fund investments which are carried at market value.

J. **Inventories:**

Inventories reported in the governmental fund types are reported at cost using the moving average cost method. Inventories reported in the proprietary fund types are valued at the lower of cost or market using the moving average cost method. Inventories reported in the discrete presentation of higher education are reported at cost using the FIFO method, except for livestock inventories which are reported at the June 30, 1989 market price. Inventories are expensed using the consumption method for governmental funds, proprietary funds, and the discrete presentation of higher education.

K. **Deferred Charges:**

Deferred charges are the amortization of bond and note issuance costs, using the bonds outstanding method, over the life of the bonds.

L. **Other Assets:**

The $3,436,000 in the general fund represents collateral for bonds to be issued by the South Dakota Economic Development Finance Authority.

M. **Property, Plant, and Equipment:**

Governmental and expendable trust fund purchases of property, plant, and equipment are reported as expenditures in the purchasing fund. Assets purchased through leases or bond sales are capitalized when purchased or constructed. Assets are capitalized in the general fixed assets account group at cost. Donated assets are capitalized at fair market value at the date of donation. Historical cost records for certain assets are incomplete or not available. Accordingly, estimated historical costs have been used. For financial reporting purposes, depreciation is not recorded on these fixed assets. Public domain (infrastructure) general fixed assets such as highways, curbs, bridges, railroad track, right-of-way, and lighting systems are not capitalized.

Proprietary, pension trust, and nonexpendable trust fund purchases of property, plant, and equipment are capitalized in the fund in which they are utilized and depreciated on the straight line basis over the estimated useful life of each asset. These fixed assets are reported in the funds at cost or, if donated, at fair market value on the acquisition date.

Fixed assets reported in the general fixed asset account group and in proprietary funds are capitalized when the cost or estimated value is in excess of $300 at the date of acquisition, have an expected useful life of one or more years, and are tangible in nature.

Library books and films are capitalized at cost when purchased. Books and films are deleted from the inventory at an average price calculated at the beginning of the fiscal year.

Higher education property, plant, and equipment are recorded at cost or fair market value at the time donated. Fixed assets are capitalized if they have a useful life of one year or more and a unit cost in excess of $300. Major additions to plant are capitalized when the addition increases the value of the asset by two percent (2%) or more. Depreciation is not recorded.

N. Reserve for Public Schools:

Represents the principal of the School and Public Lands permanent fund which is to remain inviolate forever. Investment earnings are partially used to fund public education.

O. Deficit Fund Balance:

The following individual funds had deficit fund balances at June 30, 1989 (expressed in thousands).

FUND TYPE/FUND	DEFICIT
Special Revenue	
Fire Suppression	$2,261
Governmental Relations Federal	2
Expendable Trust	
Workers Compensation	107
Higher Education	
Unrestricted Appropriated	9,861

P. Annual and Sick Leave Accrual:

Annual leave and sick leave are earned by all full-time and permanent part-time employees. Employees earn fifteen days annual leave per year which can be accumulated to thirty days, except for employees with more than fifteen years of employment, who earn twenty days annual leave per year which can be accumulated to forty days. Upon termination, employees receive payment for their accumulated annual leave. Employees earn fourteen days sick leave per year. Unless dismissed for cause, employees who terminate after seven years of continuous employment, receive payment for one-fourth of their accumulated sick leave balance, not to exceed four hundred eighty hours.

The accrued annual and sick leave liability at June 30, 1989 was $16,388,713 and $17,531,240, respectively.

2. RESTATEMENTS

Several restatements were made to account balances due to misstatements during the prior year (expressed in thousands).

A. FUND BALANCE/RETAINED EARNINGS

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST
Fund Balance, June 30, 1988 as Previously Reported	$113,268	$153,936	$167,683	$ 12,834	$ 49,114
Misstatements of Assets and Liabilities in Prior Year	(20)	300	3,176	(56)	(193)
Other Misstatements		(33)			238
Fund Balance, July 1, 1988 as Restated	$113,248	$154,203	$170,859	$ 12,778	$ 49,159

	ENTERPRISE	INTERNAL SERVICE	NONEXPEND-ABLE TRUST	PENSION TRUST
Retained Earnings, June 30, 1988 as Previously Reported	$227,010	$ 6,989	$111,905	$1,207,427
Misstatements of Assets and Liabilities in Prior Year	48	18	(87)	(11,401)
Retained Earnings, July 1, 1988 as Restated	$227,058	$ 7,007	$111,818	$1,196,026

HIGHER EDUCATION	UNRESTRICTED APPROPRIATED	UNRESTRICTED NON-APPROPRIATED	RESTRICTED NON-APPROPRIATED	INVESTMENT IN PLANT
Fund Balance, June 30, 1988 as Previously Reported	($ 5,430)	$ 15,539	$ 1,195	$ 214,816
Misstatements of Assets and Liabilities in Prior Year	(118)	(100)	384	4,626
Fund Balance, July 1, 1988 as Restated	($ 5,548)	$ 15,439	$ 1,579	$ 219,442

B. CASH AND SHORT-TERM INVESTMENTS

	INTERNAL SERVICE	NONEXPENDABLE TRUST
Cash and Short-Term Investments, June 30, 1988 as Previously Reported	$ 4,694	$ 105,983
Misstatements of Cash in Prior Year	2	69
Cash and Short-Term Investments July 1, 1988 as Restated	$ 4,696	$ 106,052

3. CASH, DEPOSITS, AND INVESTMENTS

Deposits and investments are authorized by South Dakota Codified Laws (SDCL) and administrative rules. Certain funds and component units have statutory authority to make deposits and investments in specific types of securities, which may be more or less restrictive than the general authority. Additionally, restrictions on investments may be required by bonded debt provisions. Except as otherwise indicated, the state was in compliance with legal requirements governing deposit and investing activities.

State public funds are deposited and invested using the pooled deposit and investment concept which preserves the integrity of the fund cash balance of each state fund while simultaneously allowing the deposit and investment of aggregate idle fund monies.

DEPOSITS:

Deposits, including demand deposits, time deposits, and certificates of deposit, are generally required to be made in financial institutions located within the state of South Dakota.

Collateral for deposits in each qualified public depository was calculated during fiscal year 1989 to be 110 percent of the total balance of all public deposits in excess of depository insurance as determined on each quarterly call date, pursuant to SDCL 4-6A, with the exception of nine banks, which were under the 110 percent requirement by $3,872,000. Collateral having a value, based on the lower of cost or market, at least equal to the amount calculated above was required to be segregated by each depository from its other assets, or in another manner as approved by the South Dakota Public Deposit Protection Commission and clearly identified as security for the benefit of public depositors. Deposits of the Housing Development Authority (a component unit of the state of South Dakota reporting entity) are not covered by SDCL 4-6A, but were collateralized at 102 percent of the bank balance in excess of depository insurance.

At June 30, 1989, deposit balances were classified as follows: (Category 1) deposits fully insured or collateralized with securities held by the state or its agent in the state's name, (Category 2) deposits collateralized with securities held by the pledging institution's trust department or agent in the state's name, and, (Category 3) deposits that are uninsured and uncollateralized (expressed in thousands):

	CATEGORY 1	CATEGORY 2	CATEGORY 3	BANK BALANCE	CARRYING VALUE
Demand Deposits	$ 428	$ 5,103	$ 827	$ 6,358	$ 6,357
Savings	294		1,609	1,903	1,902
Certificates of Deposit and Money Market Savings	6,728	28,819	6,141	41,688	41,689
TOTAL	$7,450	$33,922	$8,577	$49,949	$49,948

INVESTMENTS:

Authorized investments generally include obligations, consisting of securities, guaranteed either directly or indirectly by the United States of America, or the state of South Dakota; notes or bonds issued and guaranteed by political subdivisions of the state; notes, bonds, or debentures of solvent corporations, provided they are rated in the four highest classifications established by at least two rating services.

State (permanent) school and endowment funds (also known as School and Public Lands Funds) are authorized to invest, additionally, in loans made by the Veteran's Administration, Farmer's Home Administration, Federal Housing Administration, and Small Business Administration, as well as loans made under the Federal Higher Education Act of 1965, as amended.

Housing Development Authority funds can also be invested in obligations issued by Governmental National Mortgage Association, Federal National Mortgage Association, Federal Land Bank, Federal Home Loan Bank, Bank for Cooperatives, or Federal Farm Credit Banks.

Public employee pension funds are authorized to invest, additionally, in corporate equity securities, and other types of investments, consistent with the "prudent man concept", considering the probable safety of capital, as well as the probable income.

The following table presents the carrying and market value of investments by type and categorizes the carrying amounts as follows: Category A are those which are insured or registered, or held by the state or its agent in the state's name; Category B are those which are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the state's name; and, Category C are those which are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the state's name. Pension fund investments are carried at market value, consistent with the method of computing net assets available for benefits for balance sheet purposes.

At June 30, 1989, the state's investments consisted of the following (expressed in thousands):

	CATEGORY A	CATEGORY B	CATEGORY C	CARRYING VALUE	MARKET VALUE
Short-Term Investment	$ 240,495	$32,800	$	$ 273,295	$ 273,787
Repurchase Agreements			356,024	356,024	356,024
US Government-Backed Securities	695,117		20,852	715,969	715,452
US Government-Backed Loans	68,449			68,449	58,521
Corporate Notes and Bonds	175,812			175,812	176,117
Corporate Equity Securities	545,137		8,374	553,511	677,040
Annuity Contract			2,160	2,160	2,160
State of South Dakota Bonds	10,370			10,370	10,385
Investment Contracts		49,222		49,222	49,222
Investment in Limited Partnership			6,946	6,946	6,946
Real Estate Funds	14,935		12,931	27,866	31,307

	CATEGORY A	CATEGORY B	CATEGORY C	CARRYING VALUE	MARKET VALUE
Equity Mutual Funds			8,346	8,346	10,286
International Funds			14,459	14,459	17,367
	$1,750,315	$82,022	$430,092	$2,262,429	$2,384,614

Unclassified:

	CARRYING VALUE	MARKET VALUE
Mutual Funds	84,827	84,991
Deferred Compensation	1,429	1,429
Unemployment Compensation Funds Pooled With US Treasury	43,900	43,900
	$2,392,585	$2,514,934

Short-term investments consist primarily of commercial paper rated as required by statute.

The pension fund investment portfolio includes futures contracts due September 15, 1989, which will increase the market exposure for notes, bonds, and short-term investments by $295,880,390, and decrease equity securities in a like amount.

4. TAXES, NOTES, AND LOANS RECEIVABLE

Taxes Receivable: Sales and use taxes receivable at June 30, 1989 is shown net of the allowance for doubtful accounts of $2,257,992.

Loans and Notes Receivable: Loans and notes receivable at June 30, 1989 consisted of the following (expressed in thousands):

	SPECIAL REVENUE	CAPITAL PROJECTS	ENTERPRISE	EXPENDABLE TRUST	NONEXPENDABLE TRUST	HIGHER EDUCATION	TOTAL
Economic Development Loans	$12,461	$	$	$	$	$	$ 12,461
Housing Loans			822,736				822,736
Hospital & School Loans			2,529			19,700	22,229
Water District Loans	4,980				18		4,998
Agriculture Loans	4,774		9,650				14,424
Rail Authority Loans	350						350
Land Sale Notes		6		1	6,639		6,646
	22,565	6	834,915	1	6,657	19,700	883,844
Less: Allowance for Doubtful Accounts	461						461
Loans and Notes Receivable, Net	$22,104	$ 6	$834,915	$ 1	$ 6,657	$ 19,700	$883,383

5. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment at June 30, 1989 consisted of the following (expressed in thousands):

	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	HIGHER EDUCATION
Land and Improvements	$ 8,135	$	$ 8,229	$ 21,197	$ 2,573
Less: Accumulated Depreciation	(2,551)				
Buildings	31,343			101,578	160,199
Less: Accumulated Depreciation	(15,258)				
Equipment	46,699	21,402	60	110,284	91,023
Less: Accumulated Depreciation	(28,100)	(14,903)	(13)		
Livestock	221				
Construction in Progress	861			3,997	19,474
Total Property, Plant, and Equipment (Net)	$ 41,350	$ 6,499	$ 8,276	$237,056	$273,269

Changes in general fixed assets for the year ended June 30, 1989 (expressed in thousands) were:

	BALANCE JULY 1, 1988	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1989
Land and Improvements	$ 20,470	$ 889	$ 162	$ 21,197
Buildings	102,810	4,407	5,639	101,578
Equipment	95,703	14,581		110,284
Construction in Progress	15,163	935	12,101	3,997
Total General Fixed Assets	$234,146	$ 20,812	$17,902	$237,056

The July 1, 1988 equipment and land values were increased by $5,568,147 and $2,509,968, respectively, due to prior period adjustments.

Construction in progress at June 30, 1989 was as follows:

General Fixed Assets:	
Department of Education and Cultural Affairs	
Aberdeen ETV Transmitter	$ 111,356
Educational Television - Lowry	27,522
W.H. Over Museum	600,000
	738,878
Board of Charities and Corrections	
South Dakota State Penitentiary - Tuckpointing	100,000
Youth Forestry Camp - Lagoon	283,859
Human Services Center - Boilers	156,437
	540,296
Game, Fish, and Parks	
Custer State Park - Game Lodge	10,099
Department of Water and Natural Resources	
Repair of State-Owned Dams	450,000

Bureau of Administration	
State Capitol Projects	275,000
House/Senate Restoration	294,592
Maintenance Shop	3,950
	573,542
Department of Transportation	
Aberdeen Shop #1040	286,272
Sioux Falls Maintenance and Repair Shop	285,080
Bison Shop Building and Acquisition Costs	222,177
White River Maintenance Shop #3008	177,481
Other Construction Under $25,000	177,747
Presho Site Costs	85,153
Pierre Regional Shop Addition	67,370
Buffalo Yard Cost	63,341
Pierre Parking Lot	55,495
Rapid City Site Costs	75,340
Aberdeen Building and Outhouses	51,506
Six Salt Storage Sheds	48,421
Faith Shop Site Acquisition Costs	31,725
Watertown Site	30,932
Deadwood Cold Storage Shed #4078	26,370
	1,684,410
TOTAL GENERAL FIXED ASSETS	$ 3,997,225
Higher Education	
School of Mines and Technology New Classroom	$ 3,966,787
Northern State College	
Joseph Barnett Complex	9,321,355
Lincoln/Briscoe Halls	19,744
South Dakota State University	
Horticulture - Forestry Phase II	113,027
Black Hills State College Physical Ed Facility	5,371,609
University of South Dakota	
Mass Communications	13,597
Dakota Dome Parking Lot	667,695
TOTAL HIGHER EDUCATION	$19,473,814
Enterprise Funds	
Cement Plant	
Plant Paving	$ 216,717
Other Construction Under $25,000	109,217
DB Dust Return System	101,512
Kiln Repair #6	88,720
PCB Transformer	85,801
Continuous Opacity Monitors	57,384
Scottsbluff Scale and Loadout	51,750
Rock Breaker	45,556
Relamping Dry Process	42,658

Coal Unloading Automation	33,704
Moorcroft Terminal	28,367
TOTAL ENTERPRISE FUNDS	$ 861,386

6. RETIREMENT PLAN

South Dakota Retirement System

Plan Description: The South Dakota Retirement System (SDRS) is a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the state and its political subdivisions. The SDRS is considered part of the state of South Dakota financial reporting entity and is included in the state's financial report as a pension trust fund. For the fiscal year ended June 30, 1989, the state's covered payroll was $214,483,173 and the total payroll was $227,864,379.

Every political subdivision in the state of South Dakota may become a participating unit in the SDRS by a duly passed resolution of its governing body. Any retirement plan of a political subdivision created prior to July 1, 1974, may be accepted as a participating unit if the members of such a retirement plan vote by two-thirds majority to become members of the SDRS.

At June 30, 1989, SDRS membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them:*	
Class A (General Employees)	12,608
Class B (Public Safety and Judicial Employees)	403
TOTAL	13,011
Current Employees:	
Vested:	
Class A	16,547
Class B Public Safety and Judicial	760
Nonvested:	
Class A	10,932
Class B Public Safety and Judicial	510
TOTAL	28,749

*Includes terminated nonvested members who are only entitled to refund of member contributions with interest.

SDRS provides retirement, death, and disability benefits. The right to receive retirement benefits vests after five years of credited service. Class A members and Class B Judicial members who retire at or after age 65 with five years of service or at or after age 60 where age and service equal 85 are entitled to an unreduced annual retirement benefit. Class B Public Safety members can retire with an unreduced annual retirement benefit at or after age 55 (age 60 if hired after June 30, 1982) with five years of service. Age 55 is the normal retirement age for all Class B Public Safety members effective July 1, 1989.

The standard annual benefit for Class A members is the greater of 1.2 percent (1.25 percent as of July 1, 1989) of final average salary times years of credited service or 2 percent of final average salary times years of credited service less other public benefits. Class B Public Safety members receive a benefit in the amount of 2 percent of their final average salary times years of credited service. Judicial members receive a benefit of 3-1/3 percent of the final average salary times years of credited service up to 15 years plus 2 percent of final average salary times years of credited service in excess of 15 years.

Final average salary is the member's highest average compensation earned during 12 consecutive calendar quarters of the last 40 quarters of employment.

All full-time and permanent part-time state employees participate in the SDRS. In addition, the following groups of employees are covered:

- Teachers
- Justices, Judges, and Law-Trained Magistrates
- General Employees, Policemen, and Certain Firemen of Participating Municipalities
- General Employees and Law Enforcement Officers of Participating Counties
- Classified Employees of School Districts that Choose to Include Their Certified Employees
- Employees of the Board of Regents

Covered employees are required by statute to contribute a percentage of their salary to the SDRS as follows:

Class A Members	5 Percent
Class B Judicial Members	8-7/8 Percent at June 30, 1989 Increasing to 9.0 Percent Effective July 1, 1989
Class B Public Safety Hired Before July 1, 1982	8 7/8 Percent*
Class B Public Safety Hired After July 1, 1982	8 Percent*

*Effective July 1, 1989, the rate for all Class B Public Safety members is 8 percent.

South Dakota Codified Law sets the required contribution rates for employee and employer contributions to the SDRS. Members may make an additional contribution of 8/10 of one percent of compensation for optional survivor protection. SDRS must hold the employer's actuarially determined contribution requirements at the same level as the statutorily established contribution rate. The state's actuarially determined contribution requirement is equal to the contributions made. The actuarially determined contribution requirement, expressed as a percentage of total current year actuarially determined contribution requirements for all employers was 40.7 percent.

On July 1 of each year, interest is credited on members' contributions at a rate no greater than 90 percent of the average 91-day United States Treasury Bill rate for the immediately preceding calendar year with a maximum of 10 percent and a minimum of 5 percent per annum. The SDRS Board of Trustees sets the rate annually within the parameters described. For the year ended June 30, 1989, interest of 6.012 percent was credited on members' contributions. If the accumulated contributions are withdrawn by the terminated member, all rights to benefits are forfeited.

Benefit levels are established by state law. Retirement benefits are payable monthly for the life of the member, with 50 percent of the benefit payable to the surviving spouse. Effective July 1 of each year, an annual cost of living increase of 3 percent is applied to all benefits which have been paid for at least 12 months.

Deferred employer contributions: SDRS allows the participating entities and members to repay their deferred contributions over periods of up to twenty years. Interest is charged at rates of 3.5 percent to 7 percent. Future payments will be received as follows:

YEAR ENDING JUNE 30	EMPLOYER'S	EMPLOYEE'S
1990	$ 425,662	$ 70,832
1991	420,004	51,855
1992	420,004	47,262
1993	420,004	37,004
1994	417,133	26,170
Later	994,360	33,136
TOTAL	3,097,167	266,259
Less Amount Representing Interest	595,000	36,286
Deferred Employer Contributions Receivable at June 30, 1989	$2,502,167	$229,973

Funding Status and Progress: The amount shown as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended, on an ongoing basis, to facilitate the assessment of funding status and progress made in accumulating sufficient assets to pay benefits when due and to allow for appropriate comparisons of this data among public employee retirement systems. The measure is independent of the actuarial funding methods used to determine the adequacy of contributions to the SDRS, discussed below. The SDRS does not make separate measurements of assets and pension benefit obligation for individual employers.

An actuarial valuation of SDRS is performed as of June 30 of even-numbered years. On odd-numbered years, an update is made which considers expected changes in the pension benefit obligation due to the assumed experience of the system as well as the effect of any changes in valuation methods or benefit provisions.

The June 30, 1989 pension benefit obligation was determined by an update to the June 30, 1988 actuarial valuation. Significant actuarial assumptions used include: a) a rate of return on the present and future assets of 7 percent per year compounded annually, plus prefunding of improvement factor, b) projected social security cost-of-living increases of 4 percent and wage base increases of 5.5 percent per year compounded annually, c) post-retirement benefit increases of 3 percent per year compounded annually; and, d) active participant experience including projected salary increases that average 5.5 percent compounded annually.

The pension benefit obligation at June 30, 1988 and 1989 and funded status as of June 30, 1989 are shown below:

1988 Actuarial Valuation

Pension Benefit Obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 397,780,471
Current Employees:	
Accumulated employee contributions including allocated investment income	231,163,590
Employer-financed vested	322,774,932
Employer-financed nonvested	59,949,842
TOTAL PENSION BENEFIT OBLIGATION	$1,011,668,835

1989 Actuarial Update

TOTAL PENSION BENEFIT OBLIGATION	$1,181,000,000

The 1989 actuarial update did not calculate the individual components of the pension benefit obligation. However, the components would be expected to be approximately proportional to the values calculated as part of the 1988 actuarial valuation.

1989 Funded Status

	MARKET VALUE
Net Assets Available for Benefits	$1,363,286,875
Assets in Excess of (Less Than) Pension Benefit Obligation	$ 182,085,600

The June 30, 1989 pension benefit obligation also reflected the following changes in plan provisions enacted by the South Dakota State Legislature and a change in methodology both effective July 1, 1989. The changes were:

Benefit Changes

1. The basic retirement formula for Class A active members was increased to 1.25% of pay for each year of credited service from 1.2%.

2. The basic retirement formula for Class A retired members was also increased to 1.25% of pay for each year of credited service from 1.1% or 1.2%, depending upon the year of retirement.

3. Uncredited service may now be purchased at 75% of total contribution rate (member and employer combined) instead of 100% of the total contribution rate.

4. Class B Judicial members' contributions are capped at 9% of pay (matched equally by their employer). The rates were scheduled to increase to 10% of pay (matched) over a number of years.

5. All Class B Public Safety members' contributions were capped at 8% of pay (matched equally by their employer) and normal retirement age was set at age 55 for all members. Class B Public Safety members hired before July 1, 1982 were scheduled to have contributions increase to 10% of pay (matched) over a number of years, and members hired after that date have a normal retirement age of 60.

6. The unreduced retirement opportunity available from the age at which a member's age and credited service totalled 85, but not before age 60, was extended to those who terminated employment before age 55.

7. One-third of the benefit improvements made for retirees on July 1, 1982 that had been paid by an annual appropriation of the legislature became a direct obligation of SDRS.

Methodology Change

1. Benefits and related assets attributable to a prior retirement plan covering certain Board of Regent employees are eliminated from the pension benefit obligation and the net assets available for benefits.

These benefit changes increased the above pension benefit obligation by approximately $91,762,000 and increased the funding period by 41 years. The methodology change decreased the pension benefit obligation and the net assets available for benefits by $11,416,000.

Contributions: The SDRS funding policy provides for periodic member and employer contributions at a rate established by law.

On a biennial basis, an actuary determines that the combined member/employer contributions are adequate to pay normal cost and expenses and to amortize the unfunded actuarial accrued liability over a period of time using the entry age actuarial funding method. The June 30, 1988 valuation of the plan determined that the contribution rate was sufficient to pay normal costs and expenses and to amortize the unfunded actuarial accrued liability over a six-year period.

The funding period is now estimated at 46 years as a result of the July 1, 1989 benefit changes. The change in methodology had no effect on the funding period. Experience variations since the 1988 actuarial valuation will be reflected in the June 30, 1990 actuarial valuation.

Contributions during fiscal year 1989 totalling $60,873,227 ($30,224,462 employer and $30,648,765 employee) were made in accordance with statutory rates. These contributions represent 11 percent of current year covered payroll for all participating units. The state of South Dakota contributions during fiscal year 1989 total $24,508,229 ($12,306,053 employer and $12,202,176 employee). The state's contributions represent 11 percent of the state's current year covered payroll.

Historical Trend Information: Historical trend information for the last three years, designed to provide information about the Retirement System's progress made in accumulating sufficient assets to pay benefits when due is presented in the Retirement System's separately issued June 30, 1989 independent auditor's report.

	IN MILLIONS		
	FY1987	FY1988	FY1989
1. Net Assets Available for Benefits	$1,088.0	$1,192.5	$1,363.3
2. Pension Benefit Obligation	903.6	1,011.6	1,181.0
3. Percentage Funded (1)/(2)	120.4%	117.9%	115.4%
4. Assets in Excess of Pension Benefit Obligation (1)-(2)	184.4	180.9	182.3
5. Annual Covered Payroll	500.2	530.0	554.9
6. Assets in Excess of Pension Benefit Obligation as a Percentage of Covered Payroll (4)/(5)	36.9%	34.1%	32.9%

South Dakota Cement Plant Retirement Plans

The South Dakota Cement Plant retirement plans consist of four plans which are noncontributory, single-employer, public employee retirement plans. One plan was fully funded based on an actuarial study in 1977 and the other plans are actuarially funded using the entry age normal cost method. Based upon the current actuarial study, a contribution was not made in 1988. The plans' funding policy provides for employer contributions to equal the unfunded actuarial accrued liability. The latest actuarial information for these plans is as of January 1, 1988.

At June 30, 1989, the market value of net assets available for benefits was $14,619,930.

Assets Held by Insurance Company

The Board of Regents of the state of South Dakota joined the SDRS in July, 1975. Prior to this time, the Board of Regents had a separate retirement plan through an insurance company under which their members contributed a percentage of salary to the plan with a matching amount contributed by the Board of Regents. Upon entering the SDRS, employees were given the option of keeping their contributions with the insurance company or moving their assets to SDRS.

On retirement, members who contributed to this insurance company plan may apply for and receive benefits from the insurance company. In addition, they will receive benefits from the South Dakota Retirement System, with the member's calculated normal benefits from the retirement system being reduced accordingly by the amount they would have received had the funds held by the insurance company been held for the full period by the retirement system. The benefits which will be received from the insurance company will be in the form of an annuity contract between the employee and the company. The state of South Dakota will not be responsible for any deficiencies which arise from these contracts, and the state will not be entitled to any excess funds remaining after the contracts have been fulfilled.

President's Retirement Plan

South Dakota university presidents who began service prior to November, 1980, were covered under a President's Perpetuity Fund Retirement Plan in addition to the South Dakota Retirement System. This plan was funded completely by the Board of Regents. No additional contributions are anticipated.

An actuarial valuation was prepared as of July 1, 1989. All members of the plan are currently inactive and all are fully vested in the plan. The plan has 14 members.

Market Value of Assets at June 30, 1989	$1,677,958
Pension Benefit Obligation (PBO)	1,235,140
Assets in Excess of PBO	442,818
Percentage Funded	135.9%

Actuarial Assumption: The assumed rate of return on investments was 6 percent. No increases are made to retirees' benefits after they have been calculated. All participants are 100 percent vested.

Department of Labor Employment Security Retirement Plan

Employees of the Department of Labor hired prior to July 1, 1980, had the option to become a member of the SDRS or maintain membership in the Employment Security Retirement Plan. The Employment Security Retirement Plan is administered through a private insurance carrier. The status of the assets and liabilities as of July 1, 1988 was as follows:

Net Assets Available for Benefits (At Market Value)	
Fixed Income Funds	$13,433,640
Money Market Fund	897,678
Contributions Receivable from the State of South Dakota	6,593,463
Total Net Assets Available for Benefits	20,924,781
Pension Benefit Obligation	
Inactive Employees	4,165,465
Active Employees	8,896,797
Total Pension Benefit Obligation	13,062,262
Assets in Excess of Pension Benefit Obligation	$ 7,862,519

Actuarial assumptions for determining liabilities were 7 1/2 percent return on asset investments, 5 1/2 percent average annual salary increase, and 3 percent annual cost-of-living increase for retirees. Participating employees contribute 7 percent of their salary to the plan while no payments were made by the South Dakota Department of Labor for the fiscal year ended June 30, 1989.

During March, 1987, the South Dakota Department of Labor split this retirement plan into two separate plans, a retired life plan under which $9,589,926 of the then existing fund was used to purchase annuities for all retirees, and establish an actuarially determined active member plan with assets exceeding projected plan liabilities by $8,417,183. Upon securing member benefits, excess assets totalling $6,048,177 were transferred to the state of South Dakota to be used by the South Dakota Department of Labor to supplement ongoing grant programs.

Participants of this plan took exception to the transfer of funds and requested the Department of Labor return the funds to the retirement plan. On August 9, 1988, the amount of $6,189,672 representing the above amount plus interest of $141,495 was issued to the Principal Financial Group who is the administrator of the retirement plan. On January 10, 1989, a check from the state of South Dakota in the amount of $403,791, representing accrued interest through June 30, 1988 was received by the administrator. Approximately $43,000 is due to the plan from the state of South Dakota representing accrued interest from July 1, 1988 to August 9, 1988.

7. DEFERRED COMPENSATION PLAN

The state of South Dakota maintains a deferred compensation plan for the benefit of its employees created in accordance with Internal Revenue Code 457. The plan is available to all employees of the state and its political subdivisions and permits participants to defer a portion of their salary until future years, thereby deferring taxation on the portion deferred. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable financial emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property of the employers (without being restricted to the provisions of benefits under the plan), subject only to the claims of the employers' general creditors. Claims of an employer's general creditors may be made only against the assets attributable to their employees. Participants' rights under the plan are equal to those of general creditors of the employers in an amount equal to the fair market value of the deferred account for each participant.

The state has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. It is unlikely that the state will use the assets to satisfy the claims of general creditors in the future.

Of the $1,433,050 in the plan at June 30, 1989, $1,359,700 was applicable to the state while the remaining $73,350 represents the assets of political subdivisions participating in the plan.

National Deferred Compensation, Inc. (NDC) of Columbus, Ohio, is the private sector administrator and marketing agent of the plan. Under the terms of the agreement and automatic extensions which expire June 30, 1996, NDC provides various accounting, reporting, and marketing services and receives compensation through set-up, maintenance, and termination fees charged against each participant's account.

8. COMMITMENTS

Construction and Other Commitments: At June 30, 1989, the Department of Transportation had contractual construction commitments of $83,331,277 for various highway projects. Other contractual commitments totalled $6,421,907. Financing for these future expenditures will be primarily from approved federal grants and highway use taxes.

The Building Authority has contractual commitments as shown below:

Gymnasium - Auditorium (Yankton)	$ 16,302
Physical Education Center (Rapid City)	2,489
Science Center Addition (Vermillion)	20,056
Library (Brookings)	45,726
Food Service Facility (Redfield)	327
Feed Processing Unit (Brookings)	11
Law School Building (Vermillion)	200,306
Pharmacy Addition (Brookings)	(220)
Horticulture Building (Brookings)	20,605
Home Management Laboratory (Brookings)	2,388
Tree Storage Building (Watertown)	5,221
New Armory - Phase II (Vermillion)	16,654
Fish Hatchery (Waubay)	152
Joseph Barnett Physical Ed Complex (Aberdeen)	18,677
Kennedy Hall Classroom (Madison)	12,798

Physical Education Facility (Spearfish)	3,000
Cultural Heritage Center (Pierre)	467,202
School for the Deaf Safety Upgrade (Sioux Falls)	199,500
Livestock Dairy Barn (Brookings)	4,252
Classroom Building (Rapid City)	406,490
House/Senate Restoration (Pierre)	84,916
ETV Transmitter (Aberdeen)	44,894
Horticulture Forestry (Brookings)	42,921
Physical Education Facility (Spearfish)	4,185,455
Repair of State-Owned Dams	1,374
Youth Forestry Camps	16,142
BOA Maintenance Shop	246,050
USD Mass Communications (Vermillion)	236,402
Game Lodge Water System	289,901
TOTAL	$6,589,991

9. SELF-INSURANCE

The state is uninsured for property losses, with the exception of bonded buildings.

The state is self-insured for workers' compensation through the creation of reserves derived from a percentage of wages paid to state employees.

The state is insured for health insurance, boiler insurance, aircraft, and performance bonds through outside insurance companies.

The state is self-insured through the creation of reserves in the Public Entity Pool for Liability (PEPL) Fund. Major tort self-insurance areas include automobile, general tort, and medical malpractice claims. Claims are limited to $1,000,000 per occurrence, subject to limitations set forth in South Dakota Codified Laws chapter 3-22.

The state claims sovereign immunity for all other tort liabilities.

10. CAPITAL LEASES

The state has entered into various agreements to lease equipment. FASB Statement No. 13, "Accounting for Leases", requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee be accounted for as the acquisition of a fixed asset and the incurrence of an obligation by the lessee (a capital lease).

Capital lease obligations for the governmental funds are reported in the general long-term debt account group and the related assets are reported in the general fixed assets account group. Capital leases for the proprietary funds are reported in those funds, along with the related assets. Capital leases for higher education are reported as an obligation in the Investment in Plant Funds, along with the related assets.

The following schedule is a summary of the future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 1989 (expressed in thousands):

FISCAL YEAR ENDING JUNE 30,	GOVERNMENTAL FUNDS	PROPRIETARY FUNDS	HIGHER EDUCATION
1990	$119	$1,612	$280
1991	80	880	156
1992	55	557	49
1993	51	49	23
1994	48	11	
Thereafter	8	18	
Total Minimum Lease Payments	361	3,127	508
Less: Amount Representing Interest	91	211	45
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	$270	$2,916	$463

11. OPERATING LEASES

The state of South Dakota has entered into numerous agreements to lease land, buildings, and equipment. Most operating leases contain a provision that the state may renew leases on a year-to-year basis. In most cases, management expects the leases will be renewed or replaced by other leases of a similar nature.

The following schedule is a summary of future minimum rental payments by years required under operating leases with lease terms in excess of one year as of June 30, 1989 (expressed in thousands):

FISCAL YEAR ENDING JUNE 30,	AMOUNT
1990	$ 2,910
1991	2,578
1992	2,301
1993	1,809
1994	1,502
Thereafter	12,613
TOTAL MINIMUM PAYMENTS	$23,713

The total rental expenses for all operating leases for the fiscal year ending June 30, 1989 was $6,321,860.

12. LONG-TERM DEBT

Long-term debt in the form of bonds, notes, certificates of participation and other obligations are issued by the Building Authority, Housing Development Authority, Health and Educational Facilities Authority, and by Higher Education.

A. Proprietary Funds

The following are the changes in bonds, notes, and other obligations (expressed in thousands):

	BALANCE JULY 1, 1988	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1989
Enterprise Funds:				
Revenue Bonds Payable From User Charges:				
Health and Educational Facilities Authority	$ 245,735	$ 169,605	$ 93,340	$ 322,000
Housing Development Authority	1,015,899	279,179	16,195	1,278,883
Building Authority	0	10,000		10,000
Total Revenue Bonds	1,261,634	458,784	109,535	1,610,883
Notes Payable:				
Health and Educational Facilities Authority	67,700	33,156	63,604	37,252
Cement Plant	21		7	14
Total Notes Payable	67,721	33,156	63,611	37,266
Total Bonds and Notes Payable	1,329,355	491,940	173,146	1,648,149
Capital Leases	739		293	446
Total Enterprise Funds	$1,330,094	$ 491,940	$ 173,439	$1,648,595
Internal Service Funds:				
Capital Leases	$ 2,566	$ 0	$ 96	$ 2,470

1. *Health and Educational Facilities Authority:*

The Health and Educational Facilities Authority provides capital financing for nonprofit health and educational institutions within the state. The authority issues tax-exempt revenue bonds, notes, or other obligations on behalf of nonprofit institutions for the purpose of constructing, equipping, and improving facilities or for refinancing outstanding debt, and to make loans to school districts to finance cash flow needs for fiscal year 1989. These bonds, notes, or other obligations and the interest thereon do not constitute a debt or liability of the state of South Dakota. This debt represents special obligations of the authority and is payable solely from the payments received from each project and program. Obligations of the Health and Education Facilities Authority are reported as an enterprise fund under the proprietary fund type.

Following is a schedule of bonds and notes, consolidated by category, outstanding at June 30, 1989 (expressed in thousands):

	MATURITY DATES	INTEREST RATES	AMOUNT
Bonds Payable:			
Secondary Education and Health Care Facilities	1991 - 2019	5.25%-10.75%	$310,880
Vocational Education Program	August 1, 2013	6.20%-8.125%	11,120
TOTAL BONDS PAYABLE			$322,000
Notes Payable:			
Nontrustee Notes	1989 - 1990	7.5%-9.75%	$ 882
School District Note Program	December 29, 1989	5.9%	32,945
Promissory Note, Health Education Assistance Loan Program	1993 - 1996	Variable	2,678
Note Payable to Bank, Collateralized by a Certificate of Deposit	October 1, 1990	9.0%	747
TOTAL NOTES PAYABLE			$ 37,252

The bonds of the authority are collateralized by first mortgages on the physical property financed, mortgage payments received by the authority from the institutions, a security interest in the gross receipts of the institutions, first liens on the personal property financed, the authority's assignment of its security interest in the mortgaged properties to the trustees of the bond issues and for certain institutions assigned leases and cash and securities held by the institution in restricted accounts.

Extinguishment of Debt:

In prior years, the authority defeased certain bond issues by placing the proceeds of new bonds in various trusts to provide for all future debt service payments on the old bonds. Accordingly, the bonds together with the funds held in trust are not reported in the accompanying financial statements. At June 30, 1989, $188,305,000 of bonds outstanding are considered defeased.

Reserves:

The authority maintains cash and investments totalling $31,011,212 in restricted accounts to pay the largest debt service in the event any of the bonding institutions are unable to meet payments. In addition, cash and investments totalling $630,963 are maintained in restricted accounts for repair or reconstruction of project facilities in the event of disaster.

2. *Housing Development Authority:*

The Housing Development Authority provides mortgage financing for construction, rehabilitation, and purchase of residential housing and to assist in coordinating with federal, state, regional, and local public and private efforts with statewide housing planning. The authority is authorized to issue negotiable notes and bonds in amounts authorized by the Governor of South Dakota. Notes and bonds of the authority do not constitute a debt or liability of the state of South Dakota, or a pledge of the faith and credit of the state. These notes and bonds are payable solely from the revenues or assets of the authority.

Bonds Payable:

Following is a schedule of bonds, consolidated by category, outstanding at June 30, 1989 (expressed in thousands):

	MATURITY DATES	INTEREST RATES	AMOUNT
Home-Ownership Mortgage Program:	1990 - 2021	5.1%-11.75%	
Serial Bonds			$ 285,690
Term Bonds			845,320
Capital Accumulator:			
Original Principal			36,270
Accreted Interest			26,007
Less Unamortized Discounts			(793)
Total Home-Ownership Mortgage Program			1,192,494
Multifamily Housing Trust Bonds:	1990 - 2022	5.1%-13.5%	
Serial Bonds			8,190
Term Bonds			65,025
Less Unamortized Discount			(6)
Total Multifamily Housing Trust Bonds			73,209
FNMA Guaranteed Mortgage Certificate Program	1998	9.25%	6,180
Multifamily Housing Revenue Bonds	2015	Variable	7,000
TOTAL BONDS PAYABLE			$1,278,883

Term and Capital Accumulator bonds are subject to mandatory redemption from mandatory sinking fund installments. The assets and revenues of the respective funds are pledged as collateral for the payment of principal and interest on respective bonds.

Capital accumulator bonds had an original principal amount ranging from $137.65 to $982.60 at the date of sale and mature at $5,000. At June 30, 1989, the bonds are stated at the accreted amount of $62,277,780. The total amount payable at maturity for the capital accumulator bonds is $486,654,519.

The authority requires multifamily projects to escrow funds with the authority to cover certain future expenditures. The escrow payable at June 30, 1989 was $18,747,000.

At June 30, 1989, commitments to purchase home-ownership mortgage loans from lending institutions was $30,591,000.

3. *Building Authority*

On March 2, 1989, the authority issued $10,000,000 of taxable revenue bonds for the Conservation Reserve Enhancement Program (CREP). The CREP Program involves making loans to certain individuals who have Conservation Reserve Program contracts with the Commodity Credit Corporation (CCC) of the U.S. Department of Agriculture. Under this program, certain individuals enter into ten-year contracts with the CCC and receive annual payments for performing specified conservation practices.

Annual CREP payments made to the authority will be used by the trustee to make the debt service payments on the bonds. Bonds of the authority do not constitute a debt or liability of the state of South Dakota, or a pledge of the faith and credit of the state. These bonds are payable solely from the revenues or assets of the authority.

Following is a schedule of future bond and note payments remaining at June 30, 1989 (expressed in thousands):

YEAR ENDING JUNE 30,	HEALTH AND EDUCATION FACILITIES AUTHORITY BONDS	HEALTH AND EDUCATION FACILITIES AUTHORITY NOTES	HOUSING DEVELOPMENT AUTHORITY	BUILDING AUTHORITY CREP
1990	$ 11,585	$ 33,433	$ 40,010	$ 735
1991	14,390	1,141	41,315	810
1992	16,280		40,675	890
1993	19,000	2,467	39,580	980
1994	9,185		38,085	1,075
Thereafter	251,560	211	1,079,218	5,510
TOTAL	$322,000	$ 37,252	$1,278,883	$ 10,000

B. *General Long-Term Debt:*

The following are the changes in bonds, certificates of participation and other obligations payable (expressed in thousands):

	BALANCE JULY 1, 1988	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1989
Bonds Payable From Taxes and License Fees:				
Building Authority Bonds	$ 10,739	$	$ 171	$ 10,568

	BALANCE JULY 1, 1988	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1989
Board of Regents, University of South Dakota/Springfield	710		35	675
Total Bonds	11,449	0	206	11,243
Certificates of Participation:				
Building Authority	181,720		6,260	175,460
Accrued Benefits Payable	20,881	1,004		21,885
Other Liabilities	550		400	150
Capital Leases	45	147		192
Total General Long-Term Debt	$214,645	$ 1,151	$ 6,866	$208,930

The above schedule does not include a 1985 bond issue from the Department of Water and Natural Resources. On November 15, 1985, $9,800,000 of Conservancy District Multi-Project Loan Anticipation Notes were issued. These bonds matured on May 15, 1989. They were not disclosed in the fiscal year 1988 annual financial report for the state of South Dakota.

1. *Building Authority:*

The Building Authority issues bonds or other obligations to finance the cost to acquire, construct, remodel, maintain, and equip buildings and other facilities of state departments and institutions. Bonds are payable from revenues generated through lease agreements between the Building Authority and state departments and institutions. Lease payments for bonds reported in the general long-term debt account group are paid from the state general fund and other state dedicated fees of state departments, boards, and commissions. The indebtedness, bonds, or obligations incurred or created by the Building Authority may not be or become a lien, charge, or liability against the state of South Dakota. The bonds and all related financial transactions used to finance buildings of state departments and institutions are reported in the capital projects and debt service funds and the general long-term debt account group. This financial presentation does not change the legal liability of the bonds.

During fiscal year 1987, the Building Authority caused to be issued, $187,820,000 aggregate principal amount of certificates of participation, 1986 Series A and 1986 Series B. The proceeds from the certificates of participation were paid to the authority in exchange for the right, title, and interest in certain state buildings. The net proceeds of the Series A certificates were used to purchase an annuity contract which is held by a trustee. Proceeds from the annuity contract held by the trustee are received on each June 1 and December 1, until December 1, 2016. The semi-annual payments received under the annuity contract will be approximately equal to the principal and interest payments on the certificates of participation. A portion of the proceeds from the Series B certificates was used for construction improvements to certain state buildings and facilities and $2,000,000 of the proceeds was used to create an Annuity Contract Contingency Fund to offset unanticipated fluctuations in the annuity payments. Upon payment of the certificates or at December 31, 2036, whichever occurs earlier, the unencumbered title to the buildings will revert to the state.

Following are Building Authority bonds and certificates of participation outstanding at June 30, 1989 (expressed in thousands):

ISSUE	MATURITY DATES	INTEREST RATES	AMOUNT
Series 1984	2000 and 2005	10.5%-10.625%	$ 4,128
Certificates of Participation:			
1986 Series A	1990 - 2016	4.4%-7.5%	163,485
1986 Series B	1990 - 2016	4.4%-7.5%	11,975
Series 1987 A	1990 - 2007	5.7%-8.25%	5,365
Series 1987 B	1990 - 2005	5.0%-8.0%	1,075
TOTAL			$186,028

2. *University of South Dakota/Springfield*

Revenue bonds were issued for projects at the former University of South Dakota/Springfield (USD/S). Since USD/S was converted to a minimum security prison, bond payments have been made from income of the bond sinking fund and from the state general fund. Therefore, these bonds are reported in the general long-term debt account group. The only bonds outstanding at June 30, 1989 were the Crawford Hall Project 71 bond issue with a balance of $675,000.

Following is a schedule of future payments remaining at June 30, 1989 (expressed in thousands):

YEAR ENDING JUNE 30,	BUILDING AUTHORITY	USD/S
1990	$ 6,590	$ 35
1991	6,735	40
1992	6,880	40
1993	7,013	45
1994	7,135	50
Thereafter	151,676	465
TOTAL	$186,029	$675

Refunded Bonds:

In prior years, the Building Authority defeased certain refunding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds.

Accordingly, the trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. At June 30, 1989, $15,650,000 of bonds outstanding are considered defeased.

C. *Higher Education:*

The following are the changes in bonds, notes, and other obligations payable (expressed in thousands):

	BALANCE JULY 1, 1988	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1989
Revenue Bonds Payable From User Charges				
Higher Education Facilities	$ 14,671	$	$ 763	$ 13,908
Building Authority	36,210	2,947	378	38,779
Total Bonds	50,881	2,947	1,141	52,687
Notes Payable	47	15		62
Capital Leases	661		198	463
Total Higher Education	$ 51,589	$ 2,962	$ 1,339	$ 53,212

1. *Higher Education Facilities:*

Revenue bonds were issued for the purpose of constructing buildings. The bonds are payable only from income and revenues pledged and assigned and do not constitute a debt, legal or moral, of the state of South Dakota.

Following are revenue bonds outstanding at June 30, 1989 (expressed in thousands):

ISSUE	
School of Mines and Technology:	
1964 Dormitory Revenue Bonds	$ 16
1973 Series A	141
1973 Series B	118
1973 Series C	530
1973 Series D	570
University of South Dakota:	
1967 Dormitory Revenue Bonds	240
1974 Revenue Refunding	2,440
1980 Series G Student Union Addition	110
South Dakota State University:	
1971 Series	1,440
1972 Revenue Refunding	4,963
Northern State College:	
1984 Series G	880
Dakota State College:	
1984 Revenue Refunding	1,641

ISSUE	
Black Hills State College:	
1961 Series B	345
1965 Series C	286
1968 Series D	188
TOTAL	$13,908

2. *Building Authority:*

The Building Authority issues bonds to finance the cost to acquire, construct, remodel, maintain, and equip buildings and other facilities for higher education institutions. Lease payments are made from student tuition and fees. The indebtedness, bonds, or obligations incurred or created by the Building Authority may not be or become a lien, charge, or liability against the state of South Dakota. The bonds and all related financial transactions used to finance buildings of higher education are reported in the higher education column.

Following is a schedule of bonds and notes outstanding at June 30, 1989 (expressed in thousands):

ISSUE	MATURITY DATES	INTEREST RATES	AMOUNT
Series 1984	2000 and 2005	10.5%-10.625%	$17,742
Series 1985	1990 - 1997	7.25%-8.6%	6,915
Series 1987 B	1990 - 2005	5.0%-8.0%	11,175
Series 1988 A	1990 - 2009	7.0%-8.5%	2,947
TOTAL			$38,779

Following is a schedule of future payments remaining at June 30, 1989 (expressed in thousands):

YEAR ENDING JUNE 30,	BUILDING AUTHORITY	HIGHER EDUCATION
1990	$ 382	$ 795
1991	280	805
1992	2,210	788
1993	2,357	822
1994	1,585	855
Thereafter	31,965	9,843
TOTAL	$38,779	$13,908

D. *South Dakota Railroad Authority:*

State law established the South Dakota Railroad Authority in 1980 for the purpose of improving rail service in the state. The authority is authorized to acquire property and construct, maintain, and equip railroad facilities pursuant to legislative declarations. The authority is also authorized to issue negotiable notes and revenue bonds in amounts authorized by the state legislature. In 1982, the authority purchased rail facilities through the sale of bonds and entered into an agreement with the Burlington Northern Railroad Company for the operation and rehabilitation of the rail facilities. Under the agreement, Burlington Northern Railroad Company would make the lease payments to a trustee in the amounts due on the bonds and notes. At the end of the lease agreement, title to the rail facilities will be conveyed to the Burlington Northern Railroad Company. As of June 30, 1989, $20,120,000 in revenue bonds and $28,441,000 in notes were outstanding. This indebtedness is not indebtedness of the authority or the state of South Dakota, but is a liability of the Burlington Northern Railroad Company.

E. *South Dakota Economic Development Finance Authority:*

Tax-exempt bonds are issued in the name of the South Dakota Economic Development Finance Authority and administered by a trustee bank. The bond proceeds are used to provide capital in the form of economic development loans to private businesses. A separate series of bonds is issued to finance each loan. The total outstanding amount of bonds issued cannot exceed $100,000,000. Bonds of the authority do not constitute a debt or liability of the state of South Dakota or any political subdivision thereof, and neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged for payments relating to these bonds. The authority has no obligation relating to these bonds except from the revenues and assets specifically pledged as security for these bonds. The authority has no taxing power.

Following is a schedule of outstanding bonds as of June 30, 1989:

SERIES NUMBER	MATURITY DATE	INTEREST RATES	OBLIGATION
Series 1986 A	April 1, 2006	6.5%-9.0%	$ 1,205,000
Series 1987 A	April 1, 2007	6.0%-9.0%	335,000
Series 1987 B	April 1, 2007	6.0%-9.0%	550,000
Series 1987 C	April 1, 2007	7.0%-10.13%	2,160,000
Series 1987 D	April 1, 2007	7.0%-10.13%	2,135,000
Series 1987 E	April 1, 2007	7.5%-10.5%	1,465,000
Series 1988	August 1, 2008	6.75%-10.25%	1,945,000
Series 1989	January 1, 2019	10.25%	5,290,000
TOTAL			$15,085,000

Following is a schedule of future bond payments remaining at June 30, 1989:

YEAR ENDING JUNE 30,	TOTAL DEBT
1990	$ 300,000
1991	315,000
1992	375,000
1993	410,000
1994	455,000
Thereafter	13,230,000
TOTAL	$15,085,000

Reserves:

The bond indentures provide that certain reserve accounts be established. The balances as of June 30, 1989 are as follows:

	REQUIRED BALANCE	ACTUAL BALANCE	EXCESS
Capital Reserve Account	$2,500,000	$2,877,972	$377,972
Special Reserve Account	500,000	566,243	66,243
TOTAL	$3,000,000	$3,444,215	$444,215

The 1986 and 1987 series bond issues require amounts to be deposited into the Capital Reserve Account. The moneys on deposit in the Capital Reserve Account are irrevocably pledged to the payment of all outstanding bonds and interest, only when and to the extent that other moneys are not available. The amount on deposit in the Capital Reserve Account must be equal to 12.5 percent of the related bond principal outstanding. Amounts in excess of the reserve requirements may be transferred to any state fund to be used for other purposes.

The 1987 C series bond issue required a Special Reserve Account of at least $500,000. The amount in excess of $500,000 may be transferred to the Capital Reserve Account on April 1 of each year if the loan is not in default.

13. INTERFUND RECEIVABLES/PAYABLES

The following represents interfund receivable and payable balances for all funds at June 30, 1989. Amounts to be paid or received within one year are reported as due to or from other funds (expressed in thousands):

	INTERFUND RECEIVABLES DUE FROM OTHER FUNDS	INTERFUND PAYABLES DUE TO OTHER FUNDS
General Fund	$ 72,836	$ 1,436
Special Revenue Funds:		
Transportation Fund	13,627	470
Social Services - Federal Fund	1,144	5,802
Human Services Center - Federal Fund	485	2
Custer Hospital - Federal Fund	282	11
Redfield State Hospital - Federal Fund	688	28
Labor - Federal Fund		111
Vocational Rehabilitation - Federal Fund	1	221
Health - Federal Fund		89
Department of Education and Cultural Affairs - Federal Fund		296
Employer's Investment in South Dakota Fund	225	73
Economic Development Loan Fund	2,445	
Aeronautics Fund	244	26
Health Special Services Fund	329	68
Rural Rehabilitation Fund	382	11
Water Facilities Construction Fund	386	2
Housing Assistance Fund		96
Game and Fish Fund	520	59

	INTERFUND RECEIVABLES DUE FROM OTHER FUNDS	INTERFUND PAYABLES DUE TO OTHER FUNDS
Motor Vehicle Fund	610	137
Energy Conservation Fund	618	1
Special Racing Fund		346
Other	1,483	1,586
Total Special Revenue Funds	23,469	9,435
Debt Service Funds:		
South Dakota Building Authority Fund	5	
Springfield Correctional Fund	16	
Total Debt Service Funds	21	0
Capital Projects Funds:		
State Historical Building Fund	8	
Public Building Fund	74	
South Dakota Building Authority Fund	794	
Total Capital Projects Fund	876	0
Enterprise Funds:		
Cement Plant Fund	1,401	52
Lottery Operating Fund	401	4,747
Housing Authority Fund	161	
Other	166	124
Total Enterprise Fund	2,129	4,923
Internal Service Funds:		
Budgetary Accounting - Payroll - Treasurer - Auditor Fund	780	170
Central Data Processing Fund	848	93
Buildings and Grounds Fund	503	19
Telecommunications Fund	482	31
Postal Service Fund	235	11
Travel Commission Fund	188	42
Central Duplicating Fund	136	42
Central Supply Fund	135	10
Other	189	39
Total Internal Service Funds	3,496	457
Agency and Trust Funds:		
Agency Funds:		
Agency Fund	1,695	89,267
School and Public Lands Mineral Leasing Fund		4
Total Agency Fund	1,695	89,271
Expendable Trust Funds:		
Unemployment Insurance Fund	22	
Public Entity Liability Pool Fund	196	1
Vocational Education Facilities Fund	116	
Worker's Compensation Fund		14
Attorney General Antitrust Litigation Fund	108	
Redfield Resident Investment Fund	17	39

	INTERFUND RECEIVABLES DUE FROM OTHER FUNDS	INTERFUND PAYABLES DUE TO OTHER FUNDS
Oahe Conservancy Subdistrict Fund	27	1
Veteran's Home Resident Investment Fund	25	
Other	55	44
Total Expendable Trust Funds	566	99
Nonexpendable Trust Funds:		
School and Public Lands - Permanent Fund	4	74
Pension Trust Funds:		
South Dakota Retirement Fund	1,802	23
Cement Plant Retirement Fund	7	3
Total Pension Trust Funds	1,809	26
Total Trust and Agency Funds	4,074	89,470
Higher Education	1,698	2,878
TOTAL INTERFUND RECEIVABLES AND PAYABLES	$108,599	$108,599

14. CONTINGENCIES AND LITIGATION

The state of South Dakota participates in a number of federally-assisted grant programs. These programs are subject to audits by the grantors or their representatives. Any disallowance as a result of these audits may become a liability of the state.

The state of South Dakota is party to numerous legal proceedings, many of which occur in the normal course of governmental operation. Adverse judgment of these lawsuits could result in liabilities to the state. Based on prior experience, it is unlikely that the outcome of these claims will materially affect the financial position of the state.

Worker's Compensation Claims:

The Worker's Compensation Fund has the following commitments at June 30, 1989:

	CLAIMANTS	WEEKLY BENEFITS	PAYMENTS REMAINING
Permanent Partial Disability - Benefits are paid weekly up to a predetermined amount	6	$ 721	$ 17,360
Temporary Total and Temporary Partial Disability - Benefits are paid weekly for an unspecified period of time	25	3,819	Unknown
Permanent Total Disability - Benefits are paid weekly for the life of the client	12	932	Unknown

Vocational Rehabilitation Disability - Benefits are paid weekly up to completion of approved retraining	3	460	Unknown
Spouse (Fatality) Disability - Benefits are paid for life or upon remarriage spouse would receive a lump sum equal to two years of weekly benefits	3	544	Unknown
Child Disability - Benefits paid at rate of $50.00 per month until 18 years of age	2	23	Unknown
	51	$ 6,499	

Appeal of Unemployment Benefits Paid:

In 1987, the vast majority of the employees of John Morrell & Co. staged a sympathy strike. In November of 1987, the strike was terminated, but John Morrell & Co. could not return the striking workers to full-time employment. Those workers filed claims for unemployment benefits and the Department of Labor, Unemployment Insurance Division paid the claims. This decision awarded unemployment compensation benefits totalling approximately $3,000,000 as of June 30, 1989, chargeable against John Morrell's experience-rating account, from and after November 4, 1987, to the claimants who are John Morrell & Co. employees. John Morrell & Co. appealed the department's decision to an Administrative Law Judge who found in favor of the department. A second appeal to Circuit Court resulted in an affirmation of the department's decision to pay benefits. John Morrell & Co. then appealed to the South Dakota Supreme Court and the case was argued in October, 1989. Legal issues involved are:

1. Whether the claimants, from and after November 4, 1987, are unemployed due to a labor dispute and therefore ineligible to receive unemployment insurance benefits.
2. Whether the claimants were guilty of work-connected misconduct and are therefore disqualified from receiving unemployment insurance benefits.
3. Whether the claimants voluntarily left their employment without good cause and are therefore disqualified from receiving unemployment insurance benefits.

Counsel for John Morrel & Co. argue that claimants are not eligible for unemployment benefits on the basis of legal arguments presented relating to the legal issues outlined above, and the benefits paid should be restored to the company's experience-rating account.

The Supreme Court has not yet rendered a decision. The importance of this case deals with the financial impact it may have upon the department's fund. In the event the Supreme Court reverses the department's decision, approximately $3,000,000 of benefits would have to be collected from the claimants and the experience-rating account of John Morrell & Co. would have to be credited back with that sum of money.

The ultimate outcome of the appeal is not determinable at the present time.

15. SEGMENT INFORMATION: ENTERPRISE FUNDS

The state has four major enterprise funds which provide for low-interest housing loans, cement production and sales, operating the state lottery, and low interest loans to hospitals and schools.

Selected financial information by enterprise fund segment is as follows (expressed in thousands):

	HOUSING AUTHORITY	CEMENT PLANT	HEALTH AND EDUCATIONAL FACILITIES AUTHORITY	STATE LOTTERY	OTHER	TOTAL ENTERPRISE FUNDS
Operating Revenues	$ 114,863	$ 26,712	$ 45,108	$ 21,032	$ 5,585	$ 213,300
Depreciation, Depletion, and Amortization	1,851	2,465	2,738	54	136	7,244
Operating Income (Loss)	9,445	5,555	(121,302)	6,977	(533)	(99,858)
Operating Transfers:						
In			622		403	1,025
Out		8,000		6,291	5	16,296
Net Income (Loss)	9,437	(1,078)	34,764	1,088	307	44,518
Plant, Property, and Equipment:						
Additions	79	2,081		22	195	2,377
Deletions	8	141			91	240
Net Increase (Decrease) in Cash and Temporary Investments	229,341	(1,918)	10,569	(2,301)	347	236,038
Total Assets	1,436,014	65,854	449,517	8,022	18,153	1,977,560
Total Equity	120,379	62,422	82,832	2,101	7,046	274,780

16. SUBSEQUENT EVENTS

In September, 1989, the Building Authority issued $15,000,000 of taxable revenue bonds (Conservation Reserve Enhancement Program), Second Series, to provide funds for making loans to individuals having Conservation Reserve Program contracts with the Commodity Credit Corporation of the U.S. Department of Agriculture.

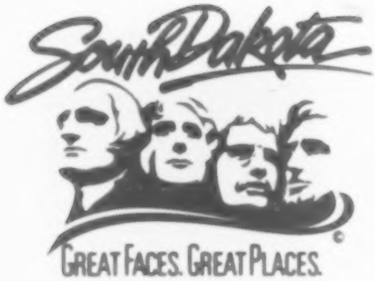
In December, 1989, the Building Authority issued $7,075,000 of certificates of participation. The proceeds of the certificates will be used to construct a new prison facility and for improvements and repairs to various state facilities, to reimburse state funds for the prepayment of bonds issued by the Board of Regents, to pay issuance costs and discounts of the certificates, and pay interest accruing on the Series 1989 Certificates on March 1, 1990.

In December, 1989, the Health and Educational Facilities Authority issued $52,180,000 of Rapid City Regional Hospital revenue bonds, Series 1989.

The proceeds of the bonds will be used to refinance their Series 1984 bonds and reimburse hospital expenses.

In August, 1989, the South Dakota Conservancy District issued $5,785,000 of State Revolving Fund revenue bonds, Series 1989. The proceeds of the bonds will be used as matching funds to obtain certain grants from the federal Environmental Protection Agency. The grants and some of the proceeds will be used to make loans to public entities for financing and refinancing water pollution control facilities and programs.

In December, 1989, the South Dakota Economic Development Finance Authority issued $307,500 of revenue bonds. The proceeds of the bonds will be used for the purchase and renovation of a heavy manufacturing facility.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COMBINING

FINANCIAL STATEMENTS

ALBERTA
SASKATCHEWAN
MANITOBA
ONTARIO
MONTANA
NORTH DAKOTA
MINNESOTA
WISCONSIN
SOUTH DAKOTA
WYOMING
IOWA
NEBRASKA
ILLINOIS

STATE OF SOUTH DAKOTA.
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1889

SPECIAL REVENUE FUNDS

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SPECIAL REVENUE FUNDS DESCRIPTIONS

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 1989
(Expressed in Thousands)

	TRANSPORTATION	SOCIAL SERVICES FEDERAL	DEPARTMENT OF EDUCATION FEDERAL	HOUSING ASSISTANCE	LABOR FEDERAL	HEALTH FEDERAL
ASSETS						
Cash and Temporary Investments	$ 40,274	$	$	$ 2,228	$	$ 268
Accounts Receivable	168	6	3		3	
Other Taxes Receivable						
Interest, Dividends & Penalties Receivable						
Loans & Notes Receivable (Net)						
Due From Other Funds	13,627	1,144				
Due From Other Governments	14,216	16,530	2,359	264	919	545
Inventory	10,719	3			165	395
Prepaids	14	2	48		128	3
Other Assets						
Total Assets	$ 79,018	$ 17,685	$ 2,410	$ 2,492	$ 1,215	$ 1,211
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts Payable	$ 10,590	$ 8,827	$ 542	$	$ 579	$ 470
Accrued Liabilities	2,411	1,453	95		525	255
Due to Other Funds	470	5,802	296	96	111	89
Due to Other Governments			1,195	1,114		
Deferred Revenue	2	440				
Escrow Payable						
Bonds and Notes Payable						
Capital Lease Obligations	3	1				
Other Liabilities						
Total Liabilities	13,476	16,523	2,128	1,210	1,215	814
Fund Equity:						
Fund Balance:						
Reserve for Encumbrances	5,948	44	22			8
Reserve for Loans						
Reserve - Other				1,282		
Unreserved	59,594	1,118	260			389
Total Fund Equity	65,542	1,162	282	1,282	0	397
Total Liabilities and Fund Equity	$ 79,018	$ 17,685	$ 2,410	$ 2,492	$ 1,215	$ 1,211

GAME, FISH AND PARKS	REDFIELD FEDERAL	AERONAUTICS	VOCATIONAL REHABILITATION FEDERAL	MOTOR VEHICLE FUND	GOVERNMENTAL RELATIONS FEDERAL
$ 5,647	$ 1,078	$ 2,840	$	$ 2,491	$ 38
124					
520	688	244	1	610	
641	1,021	9	1,287		532
	358	4			
				4	
$ 6,932	$ 3,145	$ 3,097	$ 1,288	$ 3,105	$ 570
$ 587	$ 125	$ 2	$ 418	$ 36	$ 523
325	397		299	197	22
59	28	26	221	137	6
155					
	8				21
17	11			6	
1,143	569	28	938	376	572
295	158	381	4	32	
5,494	2,418	2,688	346	2,697	(2)
5,789	2,576	3,069	350	2,729	(2)
$ 6,932	$ 3,145	$ 3,097	$ 1,288	$ 3,105	$ 570

STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (Continued)
June 30, 1989
(Expressed in Thousands)

	FIRE SUPPRESSION	HEALTH SPECIAL SERVICES	CUSTER HOSPITAL FEDERAL	NATURAL RESOURCES FEDERAL	CUSTER STATE PARK	EMPLOYER'S INVESTMENT
ASSETS						
Cash and Temporary Investments	$	$ 559	$ 283	$ 382	$ 889	$ 4,247
Accounts Receivable	172	196		1		
Other Taxes Receivable						
Interest, Dividends & Penalties Receivable						
Loans & Notes Receivable (Net)						
Due From Other Funds		329	282		68	225
Due From Other Governments	587	109	203	762	105	
Inventory		39	118			
Prepaids		3				
Other Assets						
Total Assets	$ 759	$ 1,235	$ 886	$ 1,145	$ 1,062	$ 4,472
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts Payable	$ 7	$ 81	$	$ 85	$ 173	$ 26
Accrued Liabilities	6	164	189	46	76	
Due to Other Funds	1,108	68	11	54	32	73
Due to Other Governments	1,899	5				
Deferred Revenue				2		
Escrow Payable						
Bonds and Notes Payable						
Capital Lease Obligations			3			
Other Liabilities						
Total Liabilities	3,020	318	203	187	281	99
Fund Equity:						
Fund Balance:						
Reserve for Encumbrances		21	37	432	44	
Reserve for Loans						
Reserve - Other						
Unreserved	(2,261)	896	646	526	737	4,373
Total Fund Equity	(2,261)	917	683	958	781	4,373
Total Liabilities and Fund Equity	$ 759	$ 1,235	$ 886	$ 1,145	$ 1,062	$ 4,472

MILITARY AFFAIRS FEDERAL	COMMERCE FEDERAL	HUMAN SERVICES FEDERAL	RAILROAD OPERATIONS	WATER FACILITIES CONSTRUCTION	ECONOMIC DEVELOPMENT LOAN
$ 119	$ 28	$ 583	$ 2,145	$ 6,517	$ 29,195
5	1			2	
				106	28
				4,980	12,461
	4	485	111	386	2,445
481	194	299			
		19			
	2				
$ 605	$ 229	$ 1,386	$ 2,256	$ 11,991	$ 44,129
$ 31	$ 79	$ 3	$	$ 59	$
58	29	117		21	
18	48	2		2	
88					
	9				
195	165	122	0	82	0
	20		35	248	
				4,367	11,713
410	44	1,264	2,221	7,294	32,416
410	64	1,264	2,256	11,909	44,129
$ 605	$ 229	$ 1,386	$ 2,256	$ 11,991	$ 44,129

STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (Continued)
June 30, 1989
(Expressed in Thousands)

	RURAL REHABILITATION	ENERGY CONSER-VATION	PETROLEUM RELEASE COMPENSATION	OTHER SPECIAL REVENUE	TOTALS (MEMORANDUM ONLY) JUNE 30, 1989	TOTALS (MEMORANDUM ONLY) JUNE 30, 1988
ASSETS						
Cash and Temporary Investments	$ 4,335	$ 8,135	$ 5,097	$ 19,903	$137,281	$121,093
Accounts Receivable				22	703	579
Other Taxes Receivable				44	44	
Interest, Dividends & Penalties Receivable	116			86	336	317
Loans & Notes Receivable (Net)	4,143			520	22,104	13,802
Due From Other Funds	382	618	178	1,122	23,469	19,730
Due From Other Governments				2,161	43,224	29,931
Inventory				146	11,966	10,956
Prepaids			1	348	553	707
Other Assets	200				200	
Total Assets	$ 9,176	$ 8,753	$ 5,276	$ 24,352	$239,880	$197,115
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts Payable	$ 17	$ 1	$ 1	$ 1,902	$ 25,164	$ 20,891
Accrued Liabilities	13	2	11	794	7,505	6,674
Due to Other Funds	11	1	4	662	9,435	11,114
Due to Other Governments					4,456	3,478
Deferred Revenue					482	683
Escrow Payable						21
Bonds and Notes Payable				60	60	
Capital Lease Obligations				3	44	13
Other Liabilities						38
Total Liabilities	41	4	16	3,421	47,146	42,912
Fund Equity:						
Fund Balance:						
Reserve for Encumbrances		503		1,012	9,244	9,331
Reserve for Loans	3,469			430	19,979	12,827
Reserve - Other					1,282	
Unreserved	5,666	8,246	5,260	19,489	162,229	132,045
Total Fund Equity	9,135	8,749	5,260	20,931	192,734	154,203
Total Liabilities and Fund Equity	$ 9,176	$ 8,753	$ 5,276	$ 24,352	$239,880	$197,115

South Dakota
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STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	TRANSPORTATION	SOCIAL SERVICES FEDERAL	DEPARTMENT OF EDUCATION FEDERAL	HOUSING ASSISTANCE	LABOR FEDERAL	HEALTH FEDERAL
Revenue:						
Taxes	$ 71,903	$	$	$	$	$
Licenses, Permits, and Fees	27,642					
Fines, Forfeits, and Penalties						
Use of Money and Property	3,081			89		
Sales and Services	934		250			
Administering Programs	112,837	139,023	46,822	23,621	18,624	12,095
Other Revenue	816	420	30			460
Total Revenue	217,213	139,443	47,102	23,710	18,624	12,555
Expenditures:						
Education and Research			46,800			
Economic Resources				23,459		
General Government						
Human Resources		140,100			18,625	11,839
Natural Resources						
Protection of Domain	7,274					
Transportation	189,464					
Total Expenditures	196,738	140,100	46,800	23,459	18,625	11,839
Excess of Revenue Over (Under) Expenditures	20,475	(657)	302	251	(1)	716
Other Financing Sources (Uses):						
Operating Transfers In		15,177	2			116
Operating Transfers Out	(552)	(13,396)	(229)			(536)
Total Other Financing Sources (Uses)	(552)	1,781	(227)	0	0	(420)
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	19,923	1,124	75	251	(1)	296
Fund Balance at Beginning of Year - Restated	45,619	38	207	1,031	1	101
Fund Balance at End of Year	$ 65,542	$ 1,162	$ 282	$ 1,282	$ 0	$ 397

GAME, FISH AND PARKS	REDFIELD FEDERAL	AERONAUTICS	VOCATIONAL REHABILITATION FEDERAL	MOTOR VEHICLE FUND	GOVERNMENTAL RELATIONS FEDERAL
$	$	$ 486	$	$	$
7,792		233		5,310	
503		209		129	
63		2		1,223	
3,082	9,379	6,791	7,726		5,651
144	5	10			
11,584	9,384	7,731	7,726	6,662	5,651
					5,649
				2,697	39
	8,721		7,662		
9,779					
				2,060	
		7,793			
9,779	8,721	7,793	7,662	4,757	5,688
1,805	663	(62)	64	1,905	(37)
123				112	34
(2,154)	(188)			(1,115)	
(2,031)	(188)	0	0	(1,003)	34
(226)	475	(62)	64	902	(3)
6,015	2,101	3,131	286	1,827	1
$ 5,789	$ 2,576	$ 3,069	$ 350	$ 2,729	($ 2)

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS (Continued)
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	FIRE SUPPRESSION	HEALTH SPECIAL SERVICES	CUSTER HOSPITAL FEDERAL	NATURAL RESOURCES FEDERAL	CUSTER STATE PARK	EMPLOYER'S INVESTMENT
Revenue:						
Taxes	$	$	$	$	$	$
Licenses, Permits, and Fees		3,354			769	3,458
Fines, Forfeits, and Penalties						
Use of Money and Property					274	648
Sales and Services	190			1	1,091	476
Administering Programs	1,492	2,045	3,692	2,851	366	
Other Revenue		30			8	80
Total Revenue	1,682	5,429	3,692	2,852	2,508	4,662
Expenditures:						
Education and Research						
Economic Resources						2,219
General Government						251
Human Resources		5,331	3,356			
Natural Resources	4,417			2,681	2,584	
Protection of Domain						
Transportation						
Total Expenditures	4,417	5,331	3,356	2,681	2,584	2,470
Excess of Revenue Over (Under) Expenditures	(2,735)	98	336	171	(76)	2,192
Other Financing Sources (Uses):						
Operating Transfers In	630	101			6	
Operating Transfers Out		(282)	(145)		(95)	
Total Other Financing Sources (Uses)	630	(181)	(145)	0	(89)	0
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,105)	(83)	191	171	(165)	2,192
Fund Balance at Beginning of Year - Restated	(156)	1,000	492	787	946	2,181
Fund Balance at End of Year	($ 2,261)	$ 917	$ 683	$ 958	$ 781	$ 4,373

MILITARY AFFAIRS FEDERAL	COMMERCE FEDERAL	HUMAN SERVICES FEDERAL	RAILROAD OPERATIONS	WATER FACILITIES CONSTRUCTION	ECONOMIC DEVELOPMENT LOAN
$	$	$	$ 4,082	$	$ 359
			111	529	2,676
				14	
2,293	2,371	2,648			
11	11	527		1	
2,304	2,382	3,175	4,193	544	3,035
		2,357			
				1,700	
2,453	2,058				
			2,365		
2,453	2,058	2,357	2,365	1,700	0
(149)	324	818	1,828	(1,156)	3,035
	8			3,585	
(6)	(373)	(36)		(271)	
(6)	(365)	(36)	0	3,314	0
(155)	(41)	782	1,828	2,158	3,035
565	105	482	428	9,751	41,094
$ 410	$ 64	$ 1,264	$ 2,256	$ 11,909	$ 44,129

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS (Continued)
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	RURAL REHABILITATION	ENERGY CONSER-VATION	PETROLEUM RELEASE COMPENSATION	OTHER SPECIAL REVENUE	TOTALS (MEMORANDUM ONLY) JUNE 30, 1989	TOTALS (MEMORANDUM ONLY) JUNE 30, 1988
Revenue:						
Taxes	$	$	$	$ 322	$ 77,152	$ 99,357
Licenses, Permits, and Fees	16		5,846	8,435	62,855	54,487
Fines, Forfeits, and Penalties				1,760	1,760	1,425
Use of Money and Property	643	618	178	3,028	12,716	10,731
Sales and Services	25			3,206	7,475	5,217
Administering Programs	188	545		7,866	412,008	365,975
Other Revenue	21			3,027	5,601	6,681
Total Revenue	893	1,163	6,024	27,644	579,567	543,873
Expenditures:						
Education and Research	188			3,437	50,425	45,753
Economic Resources				311	31,638	28,498
General Government				3,636	6,623	10,767
Human Resources				5,817	203,808	187,086
Natural Resources	962			9,980	32,103	28,136
Protection of Domain		1,303	414	4,366	19,928	17,795
Transportation				357	199,979	173,974
Total Expenditures	1,150	1,303	414	27,904	544,504	492,009
Excess of Revenue Over (Under) Expenditures	(257)	(140)	5,610	(260)	35,063	51,864
Other Financing Sources (Uses):						
Operating Transfers In			250	6,260	26,404	82,729
Operating Transfers Out		(56)	(600)	(2,902)	(22,936)	(83,097)
Total Other Financing Sources (Uses)	0	(56)	(350)	3,358	3,468	(368)
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(257)	(196)	5,260	3,098	38,531	51,496
Fund Balance at Beginning of Year - Restated	9,392	8,945		17,833	154,203	102,707
Fund Balance at End of Year	$ 9,135	$ 8,749	$ 5,260	$ 20,931	$192,734	$154,203

DEBT SERVICE FUNDS

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DEBT SERVICE FUNDS DESCRIPTIONS

Debt Service Funds account for the accumulation of resources for the payment of general long-term debt principal and interest.

STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 1989
(Expressed in Thousands)

	BUILDING AUTHORITY	SPRINGFIELD PROJECTS	TOTALS (MEMORANDUM ONLY) JUNE 30, 1989	TOTALS (MEMORANDUM ONLY) JUNE 30, 1988
ASSETS				
Cash and Temporary Investments	$ 3,476	$ 231	$ 3,707	$ 3,279
Investments	163,114		163,114	162,006
Accounts Receivable	5		5	7
Interest, Dividends, & Penalties Receivable	5,453		5,453	5,542
Due From Other Funds	5	16	21	25
Total Assets	$172,053	$ 247	$172,300	$170,859
FUND EQUITY				
Fund Balance:				
Reserve for Debt Service	$172,053	$ 247	$172,300	$170,859
Total Fund Equity	$172,053	$ 247	$172,300	$170,859

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	BUILDING AUTHORITY	SPRINGFIELD PROJECTS	TOTALS (MEMORANDUM ONLY) JUNE 30, 1989	TOTALS (MEMORANDUM ONLY) JUNE 30, 1988
Revenue:				
Use of Money and Property	$ 1,178	$ 16	$ 1,194	$ 17,400
Other Revenue	4		4	
Total Revenue	1,182	16	1,198	17,400
Expenditures:				
General Government	19,392		19,392	25,779
Human Resources		90	90	130
Total Expenditures	19,392	90	19,482	25,909
Excess of Revenue Over (Under) Expenditures	(18,210)	(74)	(18,284)	(8,509)
Other Financing Sources (Uses):				
Bond Proceeds				1,112
Operating Transfers In	19,636	89	19,725	929
Operating Transfers Out				(196)
Total Other Financing Sources (Uses)	19,636	89	19,725	1,845
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,426	15	1,441	(6,664)
Fund Balance at Beginning of Year - Restated	170,627	232	170,859	177,523
Fund Balance at End of Year	$172,053	$ 247	$172,300	$170,859

STATE OF SOUTH DAKOTA.
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CAPITAL PROJECTS FUNDS

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CAPITAL PROJECTS FUNDS DESCRIPTIONS

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
June 30, 1989
(Expressed in Thousands)

				TOTALS (MEMORANDUM ONLY)	
	HISTORICAL BUILDING	BUILDING AUTHORITY	PUBLIC BUILDINGS	JUNE 30, 1989	JUNE 30, 1988
ASSETS					
Cash and Temporary Investments	$ 76	$ 7,730	$ 11	$ 7,817	$ 12,846
Interest, Dividends, & Penalties Receivable		16	2	18	1
Loans & Notes Receivable (Net)			6	6	7
Due From Other Funds	8	794	74	876	957
Total Assets	$ 84	$ 8,540	$ 93	$ 8,717	$ 13,811
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	$	$ 1,475	$	$ 1,475	$ 1,033
Total Liabilities	0	1,475	0	1,475	1,033
Fund Equity:					
Fund Balance:					
Reserve for Loans			4	4	7
Unreserved	84	7,065	89	7,238	12,771
Total Fund Equity	84	7,065	93	7,242	12,778
Total Liabilities and Fund Equity	$ 84	$ 8,540	$ 93	$ 8,717	$ 13,811

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

				TOTALS (MEMORANDUM ONLY)	
	HISTORICAL BUILDING	BUILDING AUTHORITY	PUBLIC BUILDINGS	JUNE 30, 1989	JUNE 30, 1988
Revenue:					
Use of Money and Property	$ 8	$ 956	$ 29	$ 993	$ 996
Administering Programs		819		819	631
Other Revenue		5		5	165
Total Revenue	8	1,780	29	1,817	1,792
Expenditures:					
General Government		2,837		2,837	5,759
Total Expenditures	0	2,837	0	2,837	5,759
Excess of Revenue Over (Under) Expenditures	8	(1,057)	29	(1,020)	(3,967)
Other Financing Sources (Uses):					
Operating Transfers In					729
Operating Transfers Out	(80)	(4,436)		(4,516)	(1,422)
Total Other Financing Sources (Uses)	(80)	(4,436)		(4,516)	(693)
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(72)	(5,493)	29	(5,536)	(4,660)
Fund Balance at Beginning of Year - Restated	156	12,558	64	12,778	17,438
Fund Balance at End of Year	$ 84	$ 7,065	$ 93	$ 7,242	$ 12,778

STATE OF SOUTH DAKOTA
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ENTERPRISE
FUNDS

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ENTERPRISE FUNDS DESCRIPTIONS

Enterprise Funds are financed and operated in a manner similar to private business enterprises. Costs of providing goods and services to the general public on a continuing basis, including depreciation, are recovered primarily through user charges, and the funds are profit oriented.

STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
June 30, 1989
(Expressed in Thousands)

	HEALTH AND EDUCATIONAL FACILITIES AUTHORITY	HOUSING AUTHORITY	CEMENT PLANT	LOTTERY
ASSETS				
Cash and Temporary Investments	$ 94,311	$ 583,573	$ 10,023	$ 5,935
Investments	62,851			
Accounts Receivable	280,149		4,877	1,022
Interest, Dividends, & Penalties Receivable	1,226	12,806		
Loans & Notes Receivable (Net)	2,529	822,736		
Due From Other Funds		161	1,401	401
Due From Other Governments				
Inventory			12,501	452
Prepaids			383	18
Deferred Charges	8,412	16,537		
Other Assets	39			
Property, Plant, & Equipment (Net)		201	36,669	194
Total Assets	$449,517	1,436,014	$ 65,854	$ 8,022
LIABILITIES AND FUND EQUITY				
Accounts Payable	$ 6	$ 191	$ 1,896	$ 1,052
Accrued Liabilities	7,427	17,814	977	121
Due to Other Funds			52	4,747
Due to Other Governments			14	1
Deferred Revenue			35	
Escrow Payable		18,747		
Bonds and Notes Payable	359,252	1,278,883	14	
Capital Lease Obligations			444	
Total Liabilities	366,685	1,315,635	3,432	5,921
Fund Equity:				
Contributions				
Retained Earnings:				
Reserve for Encumbrances				
Reserve for Debt Service	81,358	120,379		
Reserve - Other			10,000	
Unreserved	1,474		52,422	2,101
Total Fund Equity	82,832	120,379	62,422	2,101
Total Liabilities and Fund Equity	$449,517	$1,436,014	$ 65,854	$ 8,022

CONSERVATION RESERVE ENHANCEMENT PROGRAM	STATE FAIR	OTHER	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 1989	JUNE 30, 1988
$ 213	$ 411	$ 1,749	$ 696,215	$ 460,177
			62,851	65,119
108		199	286,355	218,189
225			14,257	15,317
9,650			834,915	776,978
	41	125	2,129	1,948
		2	2	
		1,112	14,065	12,600
		32	433	392
			24,949	20,936
			39	52
	3,173	1,113	41,350	41,807
$ 10,196	$ 3,625	$ 4,332	$1,977,560	$1,613,515
$	$ 43	$ 124	$ 3,312	$ 3,541
196	4	256	26,795	25,176
65	1	58	4,923	7,903
			15	29
	328	2	365	545
		28	18,775	16,038
10,000			1,648,149	1,329,355
		2	446	739
10,261	376	470	1,702,780	1,383,326
	2,625	579	3,204	3,131
		6	6	7
			201,737	53,214
		3	10,003	377
(65)	624	3,274	59,830	173,460
(65)	3,249	3,862	274,780	230,189
$ 10,196	$ 3,625	$ 4,332	$1,977,560	$1,613,515

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS - ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1989

(Expressed in Thousands)

	HEALTH AND EDUCATIONAL FACILITIES AUTHORITY	HOUSING AUTHORITY	CEMENT PLANT	LOTTERY
Operating Revenue:				
Licenses, Permits, and Fees	$ 5,533	$ 1,312	$	$ 21
Use of Money and Property	25,128	113,551		
Sales and Services	14,447		26,580	20,967
Administering Programs				
Other Revenue			132	44
Total Operating Revenue	45,108	114,863	26,712	21,032
Operating Expenses:				
Personal Services and Benefits	129	699	7,767	818
Travel	19	73	170	124
Contractual Services	138,481	3,210	5,810	12,353
Supplies and Materials	5	62	4,826	659
Grants				
Capital Outlay	18			47
Other		1,003	7	
Interest	25,020	98,520		
Bad Debts			112	
Depreciation/Amortization	2,738	1,851	2,465	54
Total Operating Expenses	166,410	105,418	21,157	14,055
Operating Income/(Loss)	(121,302)	9,445	5,555	6,977
Nonoperating Revenue (Expenses):				
Gain/(Loss) on Disposal of Assets		(8)	(15)	
Bond Proceeds	155,444			
Interest Income			1,432	402
Interest Expense			(50)	
Total Nonoperating Revenue (Expenses)	155,444	(8)	1,367	402
Income Before Operating Transfers	34,142	9,437	6,922	7,379
Operating Transfers:				
Operating Transfers In	622			
Operating Transfers Out			(8,000)	(6,291)
Total Operating Transfers	622	0	(8,000)	(6,291)
Net Income Before Extraordinary Items	34,764	9,437	(1,078)	1,088
Extraordinary Items:				
Partial Litigation Settlement				
Loss on Extinguishment of Deferred Financing				
Total Extraordinary Items	0	0	0	0
Net Income	34,764	9,437	(1,078)	1,088
Retained Earnings at Beginning of Year - Restated	48,068	110,942	63,500	1,013
Retained Earnings at End of Year	$ 82,832	$120,379	$ 62,422	$ 2,101

CONSERVATION RESERVE ENHANCEMENT PROGRAM	STATE FAIR	OTHER	TOTALS (MEMORANDUM ONLY) JUNE 30, 1989	JUNE 30, 1988
$ 69	$	$	$ 6,935	$ 2,265
339			139,018	122,264
	1,391	3,772	67,157	60,488
		10	10	40
		4	180	142
408	1,391	3,786	213,300	185,199
	418	1,171	11,002	10,383
		21	407	478
65	832	1,047	161,798	36,867
	178	1,547	7,277	20,190
	132		132	136
		162	227	331
165	1		1,176	584
243			123,783	103,840
			112	20
	131	5	7,244	4,559
473	1,692	3,953	313,158	177,388
(65)	(301)	(167)	(99,858)	7,811
	(1)		(24)	(68)
			155,444	29,850
	34	415	2,283	1,891
	(6)		(56)	(134)
0	27	415	157,647	31,539
(65)	(274)	248	57,789	39,350
	309	94	1,025	6,243
		(5)	(14,296)	(21,835)
0	309	89	(13,271)	(15,592)
(65)	35	337	44,518	23,758
				(724)
				(825)
0	0	0	0	(1,549)
(65)	35	337	44,518	22,209
0	589	2,946	227,058	204,849
($ 65)	$ 624	$ 3,283	$271,576	$227,058

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	HEALTH AND EDUCATIONAL FACILITIES AUTHORITY	HOUSING AUTHORITY	CEMENT PLANT	LOTTERY
Cash Provided by Operations:				
Net Income (Loss) Before Extraordinary Items	$ 34,764	$ 9,437	($ 1,078)	$ 1,088
Charges to Income Not Affecting Working Capital:				
Depreciation/Amortization	2,738	1,851	2,465	54
Loss on Disposal of Assets		8	15	
Capitalized Interest on Capital Accumulator Bonds		6,179		
Bad Debts			112	
Reduction of Bad Debt Allowance				
Total Working Capital Provided by Operations	37,502	17,475	1,514	1,142
Changes in Certain Working Capital Components:				
Assets: (Increase)/Decrease				
Accounts Receivable	(69,140)		756	134
Loans and Notes Receivable	(29)	(33)		
Inventories			(1,096)	(199)
Due From Others		(81)	121	(148)
Prepaids			(8)	(18)
Other Assets	13			
Investments	2,269			
Interest, Dividends, & Penalties Receivable	1,670	(385)		
Liabilities: Increase/(Decrease)				
Accounts Payable	(35)	156	(44)	(261)
Due to Others			29	(3,068)
Accrued Liabilities	(1,266)	3,281	(652)	139
Other Liabilities				
Capital Lease Obligations			(293)	
Bonds and Notes Payable			1	
Deferred Revenue			(157)	
Net Cash Provided by Operations	(29,016)	20,413	171	(2,279)
Additional Sources of Cash:				
Increase in Multifamily Escrows and Reserves		2,712		
Sale of Bonds (Net)	163,374	273,000		
Mortgage Loan Principal Repayments		58,592		
Note Proceeds (Net)	33,156			
Sale of Assets				
Contribution From State General Fund				
Total Additional Sources of Cash	196,530	334,304	0	0
Cash Used for Acquisitions:				
Purchases of Fixed Assets		79	2,081	22
Purchase of Mortgage Loans and Loan Advances		106,815		
Increase in Other Assets				
Total Cash Used for Acquisitions	0	106,894	2,081	22
Other Uses of Cash:				
Retirement of Long-Term Debt	156,945		8	
Repayment of Bonds Payable		16,240		
Increase in Amortization Costs		2,242		
Partial Settlement of Litigation				
Total Other Uses of Cash	156,945	18,482	8	0
Net Increase/(Decrease) in Cash	10,569	229,341	(1,918)	(2,301)
Cash and Short-Term Investments at Beginning of Year - Restated	83,742	354,232	11,941	8,236
Cash and Short-Term Investments at End of Year	$ 94,311	$583,573	$ 10,023	$ 5,935

CONSERVATION RESERVE ENHANCEMENT PROGRAM	STATE FAIR	OTHER	TOTALS (MEMORANDUM ONLY) JUNE 30, 1989	TOTALS (MEMORANDUM ONLY) JUNE 30, 1988
($ 65)	$ 35	$ 337	$ 44,518	$ 23,758
	131	5	7,244	4,559
	1		24	68
			6,179	5,565
			112	20
				(72)
(65)	167	342	58,077	33,898
(9,758)		78	(77,930)	(33,562)
			(62)	(144)
		(169)	(1,464)	(288)
	(37)	(29)	(174)	4,297
		(12)	(38)	(344)
			13	14
			2,269	84,713
(225)		(7)	1,053	(3,184)
	(32)	(136)	(352)	1,433
65		29	(2,945)	6,324
	(2)	59	1,559	1,922
196			196	
		29	(264)	(17)
			1	6
	(21)	(2)	(180)	80
(9,787)	75	182	(20,241)	95,148
			2,712	2,043
10,000			446,374	107,186
			58,592	58,154
			33,156	8,125
				3
	72		72	71
10,000	72	0	540,906	175,582
	128	67	2,377	4,499
			106,815	123,952
				1
0	128	67	109,192	128,452
			156,953	14,225
			16,240	97,415
			2,242	836
				1,549
0	0	0	175,435	114,025
213	19	115	236,038	28,253
0	392	1,634	460,177	431,924
$ 213	$ 411	$ 1,749	$696,215	$460,177

STATE OF SOUTH DAKOTA.
UNDER GOD THE PEOPLE RULE
GREAT SEAL
1889

INTERNAL SERVICE FUNDS

South Dakota
GREAT FACES. GREAT PLACES.©

INTERNAL SERVICE FUNDS DESCRIPTIONS

Internal Service Funds account for goods or services provided by one department or agency to other departments or agencies of the state, or to other governmental units, on a cost-reimbursement basis.

STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
June 30, 1989
(Expressed in Thousands)

ASSETS	CENTRAL DATA PROCESSING	TELE-COMMUNI-CATIONS	ACCOUNTING AND PAYROLL	BUILDINGS AND GROUNDS	CENTRAL MAIL
Cash and Temporary Investments	$ 2,229	$ 1,024	$ 565	$ 438	$
Accounts Receivable	8	84	1		1
Due From Other Funds	848	482	780	503	235
Inventory	10			78	78
Prepaids	45		70	5	5
Property, Plant, and Equipment (Net)	3,195	821	614	147	12
Total Assets	$ 6,335	$ 2,411	$ 2,030	$ 1,171	$ 331
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 77	$ 335	$ 25	$ 78	$ 1
Accrued Liabilities	477	50	44	223	28
Due to Other Funds	93	31	170	19	11
Deferred Revenue			496		
Capital Lease Obligations	1,586	821		1	
Other Liabilities					
Total Liabilities	2,233	1,237	735	321	40
Fund Equity:					
Contributions	2,162	346	12	447	157
Retained Earnings:					
Reserve for Encumbrances					
Unreserved	1,940	828	1,283	403	134
Total Fund Equity	4,102	1,174	1,295	850	291
Total Liabilities and Fund Equity	$ 6,335	$ 2,411	$ 2,030	$ 1,171	$ 331

				TOTALS (MEMORANDUM ONLY)	
CENTRAL DUPLICATING	CENTRAL SUPPLY	MOTOR POOL	OTHER	JUNE 30, 1989	JUNE 30, 1988
$ 348	$ 100	$ 898	$ 875	$ 6,477	$ 4,696
3	2	1	3	103	72
136	135	188	189	3,496	2,996
79	267		41	553	403
32	5		10	172	189
192	7	1,399	112	6,499	7,156
$ 790	$ 516	$ 2,486	$ 1,230	$ 17,300	$ 15,512
$ 20	$ 14	$ 33	$ 44	$ 627	$ 422
54	12	23	238	1,149	1,040
42	10	42	39	457	469
			328	824	520
62				2,470	2,566
					12
178	36	98	649	5,527	5,029
86	111	149	16	3,486	3,476
			32	32	
526	369	2,239	533	8,255	7,007
612	480	2,388	581	11,773	10,483
$ 790	$ 516	$ 2,486	$ 1,230	$ 17,300	$ 15,512

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS - INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	CENTRAL DATA PROCESSING	TELE-COMMUNI-CATIONS	ACCOUNTING AND PAYROLL	BUILDINGS AND GROUNDS	CENTRAL MAIL
Operating Revenue:					
Use of Money and Property	$	$	$	$ 12	$
Sales and Services	6,896	5,161	2,292	2,088	2,123
Other Revenue				4	
Total Operating Revenue	6,896	5,161	2,292	2,104	2,123
Operating Expenses:					
Personal Services and Benefits	2,368	225	196	1,241	136
Travel	44	10	4	12	5
Contractual Services	1,145	3,843	1,810	449	67
Supplies and Materials	506	154	26	390	1,914
Capital Outlay					
Other					
Bad Debts		12			
Depreciation/Amortization	2,223	720	313	36	4
Total Operating Expenses	6,286	4,964	2,349	2,128	2,126
Operating Income/(Loss)	610	197	(57)	(24)	(3)
Nonoperating Revenue (Expenses):					
Gain/(Loss) on Disposal of Assets	(3)		(23)	(3)	
Interest Expense	(136)	(98)			
Total Nonoperating Revenue (Expenses)	(139)	(98)	(23)	(3)	0
Income Before Operating Transfers	471	99	(80)	(27)	(3)
Operating Transfers:					
Operating Transfers In	420	107		40	1
Operating Transfers Out	(5)			(6)	
Total Operating Transfers	415	107	0	34	1
Net Income	886	206	(80)	7	(2)
Retained Earnings at Beginning of Year - Restated	1,054	622	1,363	396	136
Retained Earnings at End of Year	$ 1,940	$ 828	$ 1,283	$ 403	$ 134

				TOTALS (MEMORANDUM ONLY)	
CENTRAL DUPLICATING	CENTRAL SUPPLY	MOTOR POOL	OTHER	JUNE 30, 1989	JUNE 30, 1988
$	$	$	$	$ 12	$ 11
1,406	1,289	1,072	2,142	24,469	20,899
			2	6	10
1,406	1,289	1,072	2,144	24,487	20,920
316	71	112	1,344	6,009	5,511
1		6	79	161	129
581	100	172	521	8,688	7,550
477	1,059	380	299	5,205	4,386
			4	4	
			81	81	
				12	10
91	1	459	16	3,863	3,716
1,466	1,231	1,129	2,344	24,023	21,302
(60)	58	(57)	(200)	464	(382)
1		7		(21)	(59)
(8)			(1)	(243)	(243)
(7)	0	7	(1)	(264)	(302)
(67)	58	(50)	(201)	200	(684)
44	5	210	264	1,091	1,145
				(11)	(40)
44	5	210	264	1,080	1,105
(23)	63	160	63	1,280	421
549	306	2,079	502	7,007	6,586
$ 526	$ 369	$ 2,239	$ 565	$ 8,287	$ 7,007

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	CENTRAL DATA PROCESSING	TELE-COMMUNI-CATIONS	ACCOUNTING AND PAYROLL	BUILDINGS AND GROUNDS	CENTRAL MAIL
Cash Provided by Operations:					
Net Income (Loss) Before Extraordinary Items	$ 886	$ 206	($ 80)	$ 7	($ 2)
Charges to Income Not Affecting Working Capital:					
Depreciation/Amortization	2,223	720	313	36	4
Loss on Disposal of Assets	3		23	3	
Bad Debts		12			
Acquisition of Donated Assets	(193)			(3)	
Total Working Capital Provided by Operations	2,919	938	256	43	2
Changes in Certain Working Capital Components:					
Assets: (Increase)/Decrease					
Accounts Receivable	(7)	(43)			
Inventories	5			(17)	(12)
Due From Others	(253)	(68)	(123)	22	33
Prepaids	9		(16)	1	(1)
Deferred Charges					
Liabilities: Increase/(Decrease)					
Accounts Payable	57	120	25		(1)
Due to Others	(13)	1	(29)	(9)	(23)
Accrued Liabilities	23	7	3	30	4
Other Liabilities					
Capital Lease Obligations	(841)	(711)		(4)	
Deferred Revenue			198		
Net Cash Provided by Operations	1,899	244	314	66	2
Additional Sources of Cash:					
Sale of Assets				3	
Contribution From State General Fund					
Total Additional Sources of Cash	0	0	0	3	0
Cash Used for Acquisitions:					
Purchases on Fixed Assets	740	0	0	35	2
Other Uses of Cash:					
Transfer of Expenses and Liabilities					
Net Increase/(Decrease) in Cash	1,159	244	314	34	
Cash and Short-Term Investments at Beginning of Year - Restated	1,070	780	251	404	
Cash and Short-Term Investments at End of Year	$ 2,229	$ 1,024	$ 565	$ 438	$ 0

CENTRAL DUPLICATING	CENTRAL SUPPLY	MOTOR POOL	OTHER	TOTALS (MEMORANDUM ONLY)	
				JUNE 30, 1989	JUNE 30, 1988
($ 23)	$ 63	$ 160	$ 63	$ 1,280	$ 421
91	1	459	16	3,863	3,716
				29	59
				12	10
		(35)		(231)	(307)
68	64	584	79	4,953	3,899
(1)		(8)		(59)	70
(10)	(101)		(15)	(150)	(23)
6	(30)	(13)	(69)	(495)	(336)
6	5	11	2	17	(121)
					1
3	14	8	16	242	24
5	(2)	10	5	(55)	196
6	2	4	57	136	191
					13
(34)			(22)	(1,612)	(1,165)
			106	304	322
49	(48)	596	159	3,281	3,071
3		63		69	79
					20
3	0	63	0	69	99
84	4	671	33	1,569	1,458
					82
(32)	(52)	(12)	126	1,781	1,630
380	152	910	749	4,696	3,066
$ 348	$ 100	$ 898	$ 875	$ 6,477	$ 4,696

STATE OF SOUTH DAKOTA
UNDER GOD THE PEOPLE RULE
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TRUST AND AGENCY FUNDS

South Dakota
GREAT FACES. GREAT PLACES.

TRUST AND AGENCY FUNDS DESCRIPTIONS

Trust and Agency Funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, governmental units and/or other funds. These include Expendable and Nonexpendable Trust Funds, Pension Trust Funds, and Agency Funds.

STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
June 30, 1989
(Expressed in Thousands)

	UNEMPLOYMENT INSURANCE	WORKER'S COMPENSATION	PUBLIC ENTITY LIABILITY POOL	VOCATIONAL EDUCATION FACILITIES
ASSETS				
Cash and Temporary Investments	$ 43,900	$ 122	$ 2,825	$ 2,041
Investments				
Accounts Receivable	523			
Other Taxes Receivable				
Loans and Notes Receivable (Net)				
Due From Other Funds	22		196	116
Due From Other Governments	52			10
Other Assets				
Total Assets	$ 44,497	$ 122	$ 3,021	$ 2,167
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	$	$ 212	$ 31	$
Accrued Liabilities		3	2	
Due to Other Funds	20	14	1	
Due to Other Governments				
Other Liabilities				
Total Liabilities	20	229	34	0
Fund Equity:				
Fund Balance:				
Reserve for Encumbrances				
Reserve for Debt Service				474
Reserve - Other	44,477			
Unreserved		(107)	2,987	1,693
Total Fund Equity	44,477	(107)	2,987	2,167
Total Liabilities and Fund Equity	$ 44,497	$ 122	$ 3,021	$ 2,167

			TOTALS (MEMORANDUM ONLY)	
ANTITRUST LITIGATION	OAHE CONSERVANCY SUBDISTRICT	OTHER EXPENDABLE TRUST	JUNE 30, 1989	JUNE 30, 1988
$ 176	$ 375	$ 2,038	$ 51,477	$ 45,852
		3	3	2
		28	551	1,392
	185		185	190
		1	1	1
108	27	97	566	2,452
			62	51
		2	2	
$ 284	$ 587	$ 2,169	$ 52,847	$ 49,940
$	$ 400	$ 26	$ 669	$ 513
		3	8	5
	1	63	99	107
		8	8	
		171	171	156
0	401	271	955	781
		1	1	
			474	331
		897	45,374	582
284	186	1,000	6,043	48,246
284	186	1,898	51,892	49,159
$ 284	$ 587	$ 2,169	$ 52,847	$ 49,940

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	UNEMPLOYMENT INSURANCE	WORKER'S COMPENSATION	PUBLIC ENTITY LIABILITY POOL	VOCATIONAL EDUCATION FACILITIES
Revenue:				
Taxes	$ 9,216	$	$	$
Licenses, Permits, and Fees				241
Fines, Forfeits, and Penalties				
Use of Money and Property	3,878		194	139
Sales and Services				
Administering Programs				
Other Revenue		1,517		
Total Revenue	13,094	1,517	194	380
Expenditures:				
Education and Research				
General Government			250	
Human Resources	11,002	1,485		
Natural Resources				
Protection of Domain				
Total Expenditures	11,002	1,485	250	
Excess of Revenue Over (Under) Expenditures	2,092	32	(56)	380
Other Financing Sources (Uses):				
Operating Transfers In	135			500
Operating Transfers Out	(151)			(621)
Total Other Financing Sources (Uses)	(16)	0	0	(121)
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,076	32	(56)	259
Fund Balance at Beginning of Year - Restated	42,401	(139)	3,043	1,908
Fund Balance at End of Year	$ 44,477	($ 107)	$ 2,987	$ 2,167

			TOTALS (MEMORANDUM ONLY)	
ANTITRUST LITIGATION	OAHE CONSERVANCY SUBDISTRICT	OTHER EXPENDABLE TRUST	JUNE 30, 1989	JUNE 30, 1988
$	$ 383	$	$ 9,599	$ 13,063
		251	492	65
17			17	18
108	27	102	4,448	4,358
		1,011	1,011	2,119
		171	171	173
4,000		1,816	7,333	2,723
4,125	410	3,351	23,071	22,519
		1	1	1
501		331	1,082	424
		1,828	14,315	18,706
	404	79	483	924
		268	268	114
501	404	2,507	16,149	20,169
3,624	6	844	6,922	2,350
		58	693	2,729
(3,500)		(610)	(4,882)	(1,599)
(3,500)		(552)	(4,189)	1,130
124	6	292	2,733	3,480
160	180	1,606	49,159	45,679
$ 284	$ 186	$ 1,898	$ 51,892	$ 49,159

South Dakota
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STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONEXPENDABLE TRUST FUNDS
June 30, 1989
(Expressed in Thousands)

			TOTALS (MEMORANDUM ONLY)	
	CONSERVANCY SUBDISTRICTS	SCHOOL AND PUBLIC LANDS	JUNE 30, 1989	JUNE 30, 1988
ASSETS				
Cash and Temporary Investments	$ 232	$105,786	$106,018	$106,052
Accounts Receivable				6
Interest, Dividends, & Penalties Receivable		2,546	2,546	2,183
Loans and Notes Receivable (Net)	18	6,639	6,657	6,926
Due From Other Funds		4	4	17
Property, Plant, and Equipment		8,229	8,229	8,244
Total Assets	$ 250	$123,204	$123,454	$123,428
LIABILITIES AND FUND EQUITY				
Due to Other Funds	$	$ 74	$ 74	$ 56
Due to Other Governments		9,729	9,729	11,554
Total Liabilities	0	9,803	9,803	11,610
Fund Equity:				
Fund Balance:				
Reserve for Public Schools		113,401	113,401	111,554
Unreserved	250		250	264
Total Fund Equity	250	113,401	113,651	111,818
Total Liabilities and Fund Equity	$ 250	$123,204	$123,454	$123,428

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES - NONEXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	CONSERVANCY SUBDISTRICTS	SCHOOL AND PUBLIC LANDS	TOTALS (MEMORANDUM ONLY) JUNE 30, 1989	TOTALS (MEMORANDUM ONLY) JUNE 30, 1988
Operating Revenue:				
Use of Money and Property	$	$ 1,064	$ 1,064	$ 995
Operating Expenses:				
Other Expense		40	40	
Operating Income	0	1,024	1,024	995
Nonoperating Revenue:				
Gain on Disposal of Assets		1,398	1,398	
Income Before Operating Transfers	0	2,422	2,422	995
Operating Transfers:				
Operating Transfers In				16
Operating Transfers Out	(14)	(575)	(589)	(509)
Total Operating Transfers	(14)	(575)	(589)	(493)
Net Income	(14)	1,847	1,833	502
Fund Balance at Beginning of Year - Restated	264	111,554	111,818	111,316
Fund Balance at End of Year	$ 250	$113,401	$113,651	$111,818

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
NONEXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

			TOTALS (MEMORANDUM ONLY)	
	CONSERVANCY SUBDISTRICTS	SCHOOL AND PUBLIC LANDS	JUNE 30, 1989	JUNE 30, 1988
Cash Provided by Operations:				
Net Income (Loss) Before Extraordinary Items	($ 14)	$ 1,847	$ 1,833	$ 502
Charges to Income Not Affecting Working Capital:				
Gain on Exchange of Land		(144)	(144)	
Total Working Capital Provided by Operations	(14)	1,703	1,689	502
Changes in Certain Working Capital Components:				
Assets: (Increase)/Decrease				
Accounts Receivable		6	6	2,677
Loans and Notes Receivable	(13)	283	270	1,163
Due From Others	14		14	(5)
Interest, Dividends, & Penalties Receivable		(362)	(362)	(1,693)
Liabilities: Increase/(Decrease)				
Due to Others		(1,808)	(1,808)	377
Net Cash Provided by Operations	(13)	(178)	(191)	3,021
Additional Sources of Cash:				
Sale of Assets		157	157	
Net Increase/(Decrease) in Cash	(13)	(21)	(34)	3,021
Cash and Short-Term Investments at Beginning of Year - Restated	245	105,807	106,052	103,031
Cash and Short-Term Investments at End of Year	$ 232	$105,786	$106,018	$106,052

South Dakota
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STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
PENSION TRUST FUNDS
June 30, 1989
(Expressed in Thousands)

	SOUTH DAKOTA RETIREMENT SYSTEM	CEMENT PLANT RETIREMENT SYSTEM	PERPETUITY FUND	TOTALS (MEMORANDUM ONLY) JUNE 30, 1989	TOTALS (MEMORANDUM ONLY) JUNE 30, 1988
ASSETS					
Cash and Temporary Investments	$ 19,176	$ 2,952	$ 166	$ 22,294	$ 20,598
Investments	1,325,031	11,537	1,489	1,338,057	1,171,968
Accounts Receivable	9,465			9,465	5,950
Interest, Dividends, & Penalties Receivable	10,019	128	23	10,170	9,564
Due From Other Funds	1,802	7		1,809	2,006
Prepaids	31			31	
Other Assets					23
Property, Plant, and Equipment (Net)	47			47	44
Total Assets	$1,365,571	$ 14,624	$ 1,678	$1,381,873	$1,210,153
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 2,144	$	$	$ 2,144	$ 14,100
Accrued Liabilities	117	1		118	10
Due to Other Funds	23	3		26	17
Total Liabilities	2,284	4	0	2,288	14,127
Fund Equity:					
Fund Balance:					
Net Assets Available for Retirement Benefits	1,363,287	14,620	1,678	1,379,585	1,196,026
Total Fund Equity	1,363,287	14,620	1,678	1,379,585	1,196,026
Total Liabilities and Fund Equity	$1,365,571	$ 14,624	$ 1,678	$1,381,873	$1,210,153

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES - PENSION TRUST FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	SOUTH DAKOTA RETIREMENT SYSTEM	CEMENT PLANT RETIREMENT SYSTEM	PERPETUITY FUND	TOTALS (MEMORANDUM ONLY)	
				JUNE 30, 1989	JUNE 30, 1988
Operating Revenue:					
Use of Money and Property	$ 167,220	$ 1,797	$ 90	$ 169,107	$ 88,439
Retirement Trust Revenue	60,413	21	145	60,579	57,721
Total Operating Revenue	227,633	1,818	235	229,686	146,160
Operating Expenses:					
Personal Services and Benefits	744			744	684
Travel	48			48	31
Contractual Services	2,225	34		2,259	2,071
Supplies and Materials	130			130	117
Grants					
Capital Outlay	14			14	
Other Expense					46
Retirement Benefits	35,642	566	71	36,279	32,402
Terminated Employee Retirement Withdrawals	7,114			7,114	6,294
Total Operating Expenses	45,917	600	71	46,588	41,645
Operating Income/(Loss)	181,716	1,218	164	183,098	104,515
Operating Transfers:					
Operating Transfers In	461			461	479
Operating Transfers Out					(6,000)
Total Operating Transfers	461	0	0	461	(5,521)
Net Income	182,177	1,218	164	183,559	98,994
Fund Balance at Beginning of Year - Restated	1,181,110	13,402	1,514	1,196,026	1,097,032
Fund Balance at End of Year	$1,363,287	$ 14,620	$ 1,678	$1,379,585	$1,196,026

South Dakota
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STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 1989
(Expressed in Thousands)

	BALANCE JULY 1, 1988	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30,1989
MAIN AGENCY FUND				
Assets:				
Cash and Temporary Investments	$ 59,171	$782,154	$782,155	$ 59,170
Investments	499		499	
Accounts Receivable	142	50	142	50
Sales Tax Receivable	54,532	60,086	54,532	60,086
Other Taxes Receivable	2,756	3,049	2,756	3,049
Interest, Dividends, & Penalties Receivable	3,119	5,851	3,119	5,851
Due From Other Funds	2,214	1,695	2,214	1,695
Due From Other Governments	1	2,342	1	2,342
Deferred Charges		21		21
Total Assets	$122,434	$855,248	$845,418	$132,264
Liabilities:				
Accounts Payable	$ 7,387	$ 4,052	$ 9,828	$ 1,611
Accrued Liabilities	6,872	8,886	7,655	8,103
Due to Other Funds	79,741	597,445	587,919	89,267
Due to Other Governments	26,609	192,718	189,863	29,464
Escrow Payable	416	25,598	22,913	3,101
Other Liabilities	1,409	13,081	13,772	718
Total Liabilities	$122,434	$841,780	$831,950	$132,264
SCHOOL AND PUBLIC LANDS MINERAL LEASING				
Assets:				
Cash and Temporary Investments	$	$ 903	$ 903	$
Interest, Dividends, & Penalties Receivable	4	4	4	4
Total Assets	$ 4	$ 907	$ 907	$ 4
Liabilities:				
Accounts Payable	$ 1	$	$ 1	$
Due to other Funds	3	930	929	4
Total Liabilities	$ 4	$ 930	$ 930	$ 4

COLLEGE AND UNIVERSITY FUNDS

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COLLEGE AND UNIVERSITY FUNDS DESCRIPTION

The College and University Funds, which comprise the State System of Higher Education, are used to account for the transactions relating to the Office of the Commissioner and the state-owned universities and colleges.

STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINING BALANCE SHEET
June 30, 1989
(Expressed in Thousands)

	CURRENT FUNDS			
	UNRESTRICTED APPROPRIATED	UNRESTRICTED NON-APPROPRIATED	RESTRICTED APPROPRIATED	RESTRICTED NON-APPROPRIATED
ASSETS				
Cash and Temporary Investments	$ 3,100	$ 15,381	$ 65	$ 478
Accounts Receivable		1,206	668	2,133
Interest, Dividends, & Penalties Receivable				
Loans and Notes Receivable (Net)				
Due From Other Funds	122	1,125		23
Due From Other Governments		13	106	122
Inventory		4,902		
Prepaids	327	167	6	
Property, Plant, and Equipment (Net)				
Total Assets	$ 3,549	$ 22,794	$ 845	$ 2,756
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	$ 402	$ 1,145	$ 60	$ 273
Accrued Liabilities	10,706	1,994	735	489
Due to Other Funds	2,302	111		275
Due to Other Governments				5
Deferred Revenue		978		
Bonds and Notes Payable		62		
Capital Lease Obligations				
Other Liabilities		666		
Total Liabilities	13,410	4,956	795	1,042
Fund Equity:				
Investment in Fixed Assets				
Fund Balance:				
Reserve for Encumbrances	811	1,967	27	295
Reserve for Loans				
Unreserved	(10,672)	15,871	23	1,419
Total Fund Equity	(9,861)	17,838	50	1,714
Total Liabilities and Fund Equity	$ 3,549	$ 22,794	$ 845	$ 2,756

	PLANT FUNDS					TOTALS (MEMORANDUM ONLY)	
LOAN FUNDS	UNEXPENDED PLANT FUNDS	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	AGENCY	JUNE 30, 1989	JUNE 30, 1988
$ 1,280	$ 19,160	$ 4,277	$ 1,779	$	$ 279	$ 45,799	$ 43,497
	58				2	4,067	3,248
20	1,633					1,653	853
19,700						19,700	18,914
29		304	95			1,698	942
						241	53
						4,902	4,500
						500	492
				273,269		273,269	259,439
$ 21,029	$ 20,851	$ 4,581	$ 1,874	$273,269	$ 281	$351,829	$331,938
$ 2	$ 67	$	$ 1	$	$ 11	$ 1,961	$ 2,404
			134		5	14,063	8,660
63				4	123	2,878	2,514
						5	
		175	17			1,170	1,102
	11,553			41,134		52,749	50,947
				463		463	661
					142	808	997
65	11,620	175	152	41,601	281	74,097	67,285
				231,668		231,668	219,442
		105				3,205	1,854
17,040						17,040	16,280
3,924	9,231	4,301	1,722			25,819	27,077
20,964	9,231	4,406	1,722	231,668	0	277,732	264,653
$ 21,029	$ 20,851	$ 4,581	$ 1,874	$273,269	$ 281	$351,829	$331,938

South Dakota
1990 · BEGINNING ·
RECONCILIATION

Statistical Section

SIOUX INDIAN POWWOW—South Dakota Governor George S. Mickelson has designated the year 1990 as the "Year of Reconciliation" for Indian and Non Indian people.

Dakota is the Sioux word for Alliance of friends and the powwow affords the opportunity to get together with family and friends while Sioux singers and dancers chant ancient Indian songs and swoop, swirl and leap in traditional buckskins, beads and eagle feather bustles.

South Dakota

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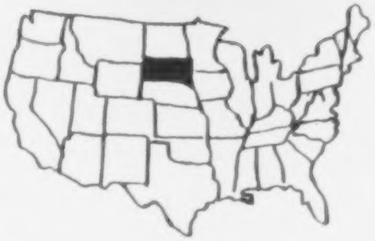
CAPITOL: *PIERRE*



POPULATION: 715,000

LATITUDE

Northernmost - 45 Degrees 55′ N
Southernmost - 42 Degrees 30′ N

LONGITUDE

Easternmost - 96 Degrees 20′ W
Westernmost - 104 Degrees 5′ W

LAND COMPOSITION

Cropland	44.5%
Grassland Pastures	52.2%
Forestland and Other	3.3%

AREA

75,952 Square Miles	196,715 Square Kilometers
1,092 Square Miles of Inland Water	1,820 Square Kilometers

South Dakota is the 16th Largest State in the Nation

ALTITUDE

Highest Point, Harney Peak, Black Hills - 7,242 Feet
Lowest Point, Big Stone Lake, Northeastern South Dakota - 961 Feet
Mean Elevation - 2,201 Feet

CLIMATE

Average Annual Precipitation	15.75 Inches
Average January Temperature	13.30 Degrees
Average July Temperature	72.20 Degrees

SOURCE: National Weather Service, Huron, SD, 1990

MISCELLANEOUS CHARACTERISTICS

SQUARE MILES OF LAND	75,952
MILES OF HIGHWAY	73,425
STATE PARKS	13
NATIONAL PARKS	5
STATE COLLEGES AND UNIVERSITIES	6
PRIVATE COLLEGES AND UNIVERSITIES	7
VOCATIONAL/TECHNICAL SCHOOLS	4

SOURCES: Selected Highway Statistics and Charts, 1988. U.S. Department of Transportation, Federal Highway Administration, Existing Public Road and Street Mileage - 1988", Table SS85-15 (mm-15), October, 1986.

"South Dakota in Maps", Henry T. Quinn Center, Spring, 1985, University of South Dakota, Vermillion 1986.

Business Research Bureau, University of South Dakota, unpublished data.

1988 LABOR FORCE

	POPULATION	LABOR FORCE	RATE OF PARTICIPATION	% ON LABOR FORCE
Males	249,000	195,000	78.4	54.5
Females	270,000	163,000	60.2	45.5
TOTAL	519,000	358,000	68.9	100.0

SOURCE: South Dakota Department of Labor, Labor Market Information Center.

EDUCATION

HIGH SCHOOL GRADUATION RATE*	86.2
NATIONAL AVERAGE	75.6

* Students starting 9th grade and graduating from 12th grade.

SOURCE: U.S. Department of Education.

South Dakota

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GENERAL CENSUS INFORMATION

AGE GROUPS

0- 4	57,085	8.0%
5-14	109,050	15.3%
15-17	30,460	4.3%
18-24	75,391	10.6%
25-34	121,880	17.1%
35-44	92,322	12.9%
45-64	126,854	17.8%
65- >	100,043	14.0%
18- >	516,490	72.4%

RACIAL DISTRIBUTION

White	659,404	92.2%
American Indian	50,535	7.1%
Other	5,061	.7%
	715,000	100.0%

POPULATION DISTRIBUTION

Urban (25,000+)	181,130	25.3
Towns (2,500-25,000)	149,570	20.9
Rural (Less Than 2,500)	384,300	53.8
	715,000	100.0

LARGEST CITIES

Sioux Falls	99,610
Rapid City	55,780
Aberdeen	25,740
Watertown	16,840
Brookings	14,440
Mitchell	13,630
Pierre	12,890
Huron	12,250
Yankton	11,630
Vermillion	9,260
Spearfish	6,170
Madison	5,910
Sturgis	5,270
Box Elder	5,140

SOURCES: State Data Center, 1988; U.S. Bureau of the Census, unpublished data.

FARM STATISTICS

CALENDAR YEAR	NUMBER OF FARMS	VALUE PER OPERATING UNIT	AVERAGE LAND VALUE PER ACRE	FARM NET INCOME (THOUSANDS)	AVERAGE INCOME PER FARM
1979	39,000	$295,400	$256	$742,226	$19,031
1980	38,500	341,300	292	374,671	9,732
1981	38,000	387,000	329	561,928	14,788
1982	37,500	414,100	349	408,070	10,882
1983	37,000	418,500	348	195,666	5,288
1984	37,000	406,000	338	529,526	14,312
1985	36,500	304,800	250	613,770	16,816
1986	36,000	265,800	215	793,108	22,031
1987	35,000	225,857	178	879,758	25,136
1988	34,500	239,362	187	651,893	18,895

NOTES: Net farm income is defined as total cash receipts and other income less total production expenses plus the value of inventory change. Cash receipts come from marketing of livestock and products and crops. Other income includes government payments, imputed income, and rent received.

1983 through 1986 farm net income figures and averages per farm have been revised. Value per operating unit for 1987 was also revised.

SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis (August, 1989) 1988-1989 South Dakota Agricultural Statistics Service.

GROSS CASH RECEIPTS FROM FARM MARKETING AND GOVERNMENT PAYMENTS (MILLIONS)

	1983	1984	1985	1986	1987	1988
Crops	$ 877	$1,024	$1,162	$ 889	$ 819	$ 946
Livestock	1,676	1,862	1,937	1,496	1,993	2,074
Government Payments	267	231	232	383	505	496
TOTAL	$2,820	$3,118	$3,332	$2,768	$3,318	$3,515

All data for this table has been revised.

SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis (August, 1989) 1988-1989 South Dakota Agricultural Statistics Service.

ELEMENTARY AND SECONDARY EDUCATION

YEAR	K-12 SCHOOL ADM (FISCAL YEAR)	COST PER PUPIL (ADM)
1980	132,098	1,715
1981	129,258	1,917
1982	125,162	2,124
1983	123,478	2,291
1984	122,785	2,486
1985	122,720	2,666
1986	123,595	2,829
1987	123,700	2,892
1988	125,170	3,027
1989	124,837	3,167

ADM: Average Daily Membership

SOURCE: South Dakota Educational Statistics Digest

UNEMPLOYMENT RATE

YEAR	SOUTH DAKOTA	UNITED STATES
1980	4.8%	7.2%
1981	5.1%	7.6%
1982	5.5%	9.7%
1983	5.4%	9.6%
1984	4.4%	7.5%
1985	5.2%	7.2%
1986	4.6%	7.0%
1987	4.2%	6.2%
1988	3.9%	5.5%
1989	4.2%	5.3%

SOURCE: South Dakota Department of Labor

SOUTH DAKOTA NONFARM WAGE AND SALARY EMPLOYMENT BY INDUSTRY
(EXPRESSED IN THOUSANDS)

	1983	1984	1985	1986	1987	1988	1989
Mining	2.6	2.7	$ 2.5	2.6	2.7	2.7	2.7
Construction	8.2	9.3	9.5	9.6	9.6	9.5	10.1
Manufacturing	25.7	29.2	27.5	28.2	29.3	31.6	31.7
Transportation and Public Utilities	12.2	12.3	12.7	12.6	12.8	13.5	13.4
Wholesale and Retail Trade	61.6	65.3	65.9	65.2	67.4	69.8	72.9
Wholesale Trade	16.2	16.8	16.6	16.4	16.9	17.9	18.7
Retail Trade	45.4	48.5	49.3	48.9	50.5	51.9	54.2
Finance/Insurance/ Real Estate	12.4	13.1	14.0	14.2	14.3	14.6	15.7
Services	53.3	57.8	59.3	60.5	62.1	64.5	67.1
Government	56.9	57.2	57.9	58.8	58.9	60.1	61.3
TOTAL	232.9	247.0	249.4	251.9	256.9	266.1	274.9
Percent Change in Total Nonfarm Employment			.97	1.00	1.98	3.58	3.30

NOTE: Numbers may not add due to rounding.

SOURCES: U.S. Bureau of Labor Statistics, Labor Market Information Center, and South Dakota Department of Labor.

1988 SOURCES OF INCOME
PERCENT OF TOTAL

SOURCE	SOUTH DAKOTA	UNITED STATES
Labor Compensation	49.3%	62.4%
Proprietor's Income	16.5%	7.6%
Nonfarm	9.6%	6.8%
Farm	6.9%	1.0%
Transfer Payment	16.0%	13.8%
Dividend, Interest, and Rent	18.2%	16.2%

PER CAPITA PERSONAL INCOME

YEAR	UNITED STATES	PERCENT CHANGE	PLAINS*	PERCENT CHANGE	SOUTH DAKOTA	PERCENT CHANGE
1979	9,033	11.03	8,924	11.56	8,062	14.34
1980	9,919	9.81	9,534	6.84	8,217	1.92
1981	10,949	10.38	10,671	11.93	9,249	12.56
1982	11,480	4.85	11,109	4.10	9,488	2.58
1983	12,098	5.38	11,513	3.64	9,673	1.95
1984	13,114	8.40	12,578	9.25	10,614	9.73
1985	13,896	5.96	13,271	5.51	11,031	3.93
1986	14,596	5.04	13,944	5.07	11,761	6.62
1987	15,472	6.00	14,671	5.21	12,414	5.55
1988	16,489	6.57	15,398	4.96	12,755	2.75

Prior year's data has been revised to reflect the addition of new information.

* The Plains States include Iowa, Kansas, Minnesota, Nebraska, North Dakota, South Dakota, and Missouri.

SOURCE: U.S. Department of Commerce, August, 1989.

POPULATION
(THOUSANDS)

YEAR	UNITED STATES	PERCENT CHANGE	PLAINS*	PERCENT CHANGE	SOUTH DAKOTA	PERCENT CHANGE
1979	224,567	1.11	17,137	.44	688	-.15
1980	226,546	.88	17,185	.28	691	.44
1981	229,637	1.36	17,294	.63	692	.14
1982	231,996	1.03	17,351	.33	695	.43
1983	234,284	.99	17,419	.39	699	.58
1984	236,477	.94	17,509	.52	705	.86
1985	238,736	.96	17,550	.23	708	.43
1986	241,095	.99	17,571	.12	708	.00
1987**	243,400	.96	17,623	.30	709	.14
1988	245,807	.99	17,759	.70	713	.71
1989	248,239	.99	17,851	.50	715	.28

* The Plains States include Iowa, Kansas, Minnesota, Nebraska, North Dakota, South Dakota, and Missouri.

**1987 Data has been revised.

SOURCE: U.S. Bureau of the Census, Population Division.

TOTAL PERSONAL INCOME
(MILLIONS)

YEAR	UNITED STATES	PERCENT CHANGE	PLAINS	PERCENT CHANGE	SOUTH DAKOTA	PERCENT CHANGE
1979	2,028,510	12.26	152,582	12.02	5,555	14.28
1980	2,254,076	11.12	164,116	7.56	5,680	2.25
1981	2,514,231	11.54	184,543	12.45	6,398	12.64
1982	2,663,432	5.93	192,722	4.43	6,590	3.00
1983	2,834,385	6.42	200,485	4.03	6,760	2.58
1984	3,101,163	9.41	220,093	9.78	7,483	10.70
1985	3,317,239	6.98	232,842	5.79	7,811	4.38
1986	3,521,211	6.08	244,905	5.18	8,322	6.54
1987	3,766,075	7.01	258,566	5.58	8,806	5.82
1988	4,052,992	7.62	273,441	5.75	9,095	3.28

*The Plains States include Iowa, Kansas, Minnesota, Nebraska, North Dakota, South Dakota, and Missouri.

SOURCE: Survey of current business, U.S. Department of Commerce, August, 1989.

PROPERTY TAX INFORMATION

	1983	1984	1985	1986	1987	1988	1989
Property Taxes*	$ .28	$ .30	$ .33	$ .35	$ .36	$ .38	$ .39
Assessed Value*	13.04	13.25	13.44	13.53	13.13	14.02	14.30
Property Taxes Per $100 of Assessed Value	2.15	2.29	2.45	2.55	2.74	2.71	2.75

* Billions of dollars.

SOURCE: "Property Tax Statistical Report", South Dakota Department of Revenue.

TAXES PER CAPITA AND PER $1,000 PERSONAL INCOME, UNITED STATES, SOUTH DAKOTA, AND SURROUNDING STATES

	1975		1980		1983		1987		1988	
	AMOUNT	RANK	AMOUNT	RANK	AMOUNT	RANK	AMOUNT	RANK	AMOUNT	RANK
Per Capita (1973 Dollars)										
U.S.	$549	--	$553	--	$ 546	--	$751	--	$394	--
South Dakota	449	33	442	37	410	41	456	46	243	49
Iowa	527	21	542	23	525	20	585	26	374	23
Minnesota	624	8	631	8	661	4	728	10	522	6
Montana	506	26	561	16	529	19	476	40	325	38
Nebraska	477	28	540	24	514	23	558	29	307	41
North Dakota	507	25	475	29	494	27	487	39	349	30
Wyoming	577	15	785	3	1,096	2	877	4	445	14
Per $1,000 Personal Income										
U.S.	$123	--	$116	--	$ 111	--	$115	--	$116	--
South Dakota	116	29	106	32	96	42	101	42	106	40
Iowa	121	18	111	26	109	21	114	22	116	17
Minnesota	139	6	127	8	132	4	128	7	132	7
Montana	126	14	130	7	126	7	114	21	124	11
Nebraska	110	34	111	27	108	24	108	31	109	28
North Dakota	110	35	102	40	103	31	101	41	106	38
Wyoming	134	9	148	3	202	2	173	2	157	3

SOURCE: U.S. Bureau of the Census, Governmental Finances, various years.

SOUTH DAKOTA'S EXPANDED AND NEW INDUSTRIES (EXPRESSED IN MILLIONS)

	EXPANSIONS		NEW		TOTAL	
YEAR	NUMBER	NEW CAPITAL INVESTMENT	NUMBER	NEW CAPITAL INVESTMENT	NUMBER	NEW CAPITAL INVESTMENT
1979	89	$ 16.3	42	$ 19.1	131	$ 35.4
1980	218	57.1	43	5.5	261	62.6
1981	122	39.5	44	35.5	166	75.0
1982	375	69.3	30	13.4	405	82.7
1983	189	34.9	34	13.9	223	48.8
1984	103	62.8	44	52.7	147	115.5
1985	401	124.5	63	42.3	464	166.7
1986*	221	70.2	39	19.5	260	89.8
1987*	267	76.1	30	17.5	297	93.6
1988*	391	99.1	33	18.8	424	117.9
1989*	469	126.9	39	13.1	508	140.0

* Only manufacturing and processing companies are included in these totals. Prior to 1986, totals included retail, transportation, services, etc.

SOURCE: Survey, Governor's Office of Economic Development.

GROSS SALES BY STATE SALES TAX LICENSEES (EXPRESSED IN MILLIONS)

	CY1984		CY1985		CY1986		CY1987		CY1988	
	SALES	% OF TOTAL SALES	SALES	% OF TOTAL SALES	SALES	% OF TOTAL SALES	SALES	% OF TOTAL SALES	SALES	% OF TOTAL SALES
Agriculture, Forestry, and Fishing	$ 30.6	.29	$ 34.1	.32	$ 34.2	.32	$ 41.1	.35	$ 44.8	.33
Mining	156.1	1.48	191.6	1.78	178.6	1.66	196.6	1.67	222.3	1.66
Construction	127.1	1.20	111.4	1.03	73.7	.69	77.4	.66	83.8	.63
Manufacturing	556.0	5.26	598.8	5.56	763.6	7.10	915.0	7.78	1,259.2	9.40
Transportation, Communication, and Utilities	685.0	6.48	763.9	7.10	753.8	7.01	771.9	6.56	825.4	6.16
Wholesale Trade	2,491.1	23.55	2,440.3	22.67	2,678.0	24.90	3,077.4	26.17	3,576.9	26.69
Retail Trade	5,337.3	50.46	6,330.6	49.51	5,192.0	48.28	5,489.0	46.68	6,087.9	45.43
Financial, Real Estate, and Insurance	30.6	.29	33.4	.31	43.8	.41	47.9	.41	43.4	.32
Services	833.0	7.88	900.5	8.36	955.4	8.88	1,068.0	9.08	1,217.3	9.08
Not Coded	330.4	3.12	361.2	3.36	78.3	.73	73.6	.63	40.0	.30
STATE TOTAL	$10,577.2	100.00	$10,765.7	100.00	$10,753.0	100.00	$11,759.6	100.00	$13,401.1	100.00
% Change From Prior Year		7.00		1.78		(.12)		9.36		13.96

SOURCES: "South Dakota Sales and Use Tax Quarterly Reports" and "South Dakota Sales and Use Tax Reporting System", Business Research Bureau, University of South Dakota; and, the South Dakota Department of Revenue.

1988 SOUTH DAKOTA RANKING FOR CROP PRODUCTION

CROP	VOLUME	NATIONAL RANK
Corn for Grain	132.0 M Bu.	9 th
Oats	20.0 M Bu.	3 rd
All Wheat	38.0 M Bu.	17 th
Winter Wheat	21.6 M Bu.	18 th
Durum Wheat	.8 M Bu.	6 th
Other Spring Wheat	15.6 M Bu.	6 th
Barley	8.1 M Bu.	11 th
Rye	2.3 M Bu.	1 st
Flax Seed	.2 M Bu.	2 nd
Sorghum for Grain	11.0 M Bu.	7 th
Sunflower Seed	204.9 M Lb.	2 nd
All Hay	3.9 M Ton	14 th
Alfalfa Hay	2.3 M Ton	13 th

LIVESTOCK	AMOUNT	NATIONAL RANK
Cattle and Calves	3.5 M Head	9 th
Hogs and Pigs	1.8 M Head	9 th
Sheep and Lambs	.6 M Head	9 th

SOURCE: 1988-89 South Dakota Agricultural Statistics Service.

SOUTH DAKOTA BANKING

YEAR	BANK DEPOSITS (MILLION)	PER CAPITA BANK DEPOSITS
1979	$ 4,184	$ 6,077
1980	4,535	6,565
1981	6,539	9,455
1982	6,703	9,620
1983	7,886	11,266
1984	8,629	12,226
1985	8,121	11,468
1986	8,065	11,391
1987	8,297	11,702
1988	8,852	12,415

NOTES: Bank deposits are for all commercial banks, insured or otherwise.

Per capita bank deposits are calculated by dividing the bank deposits by the estimated state population for each year.

SOURCES: Board of Governor's of the Federal Reserve System, Annual Digest, State Data Center, and Unpublished Data.

STATE OF SOUTH DAKOTA.
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GREAT SEAL
1889